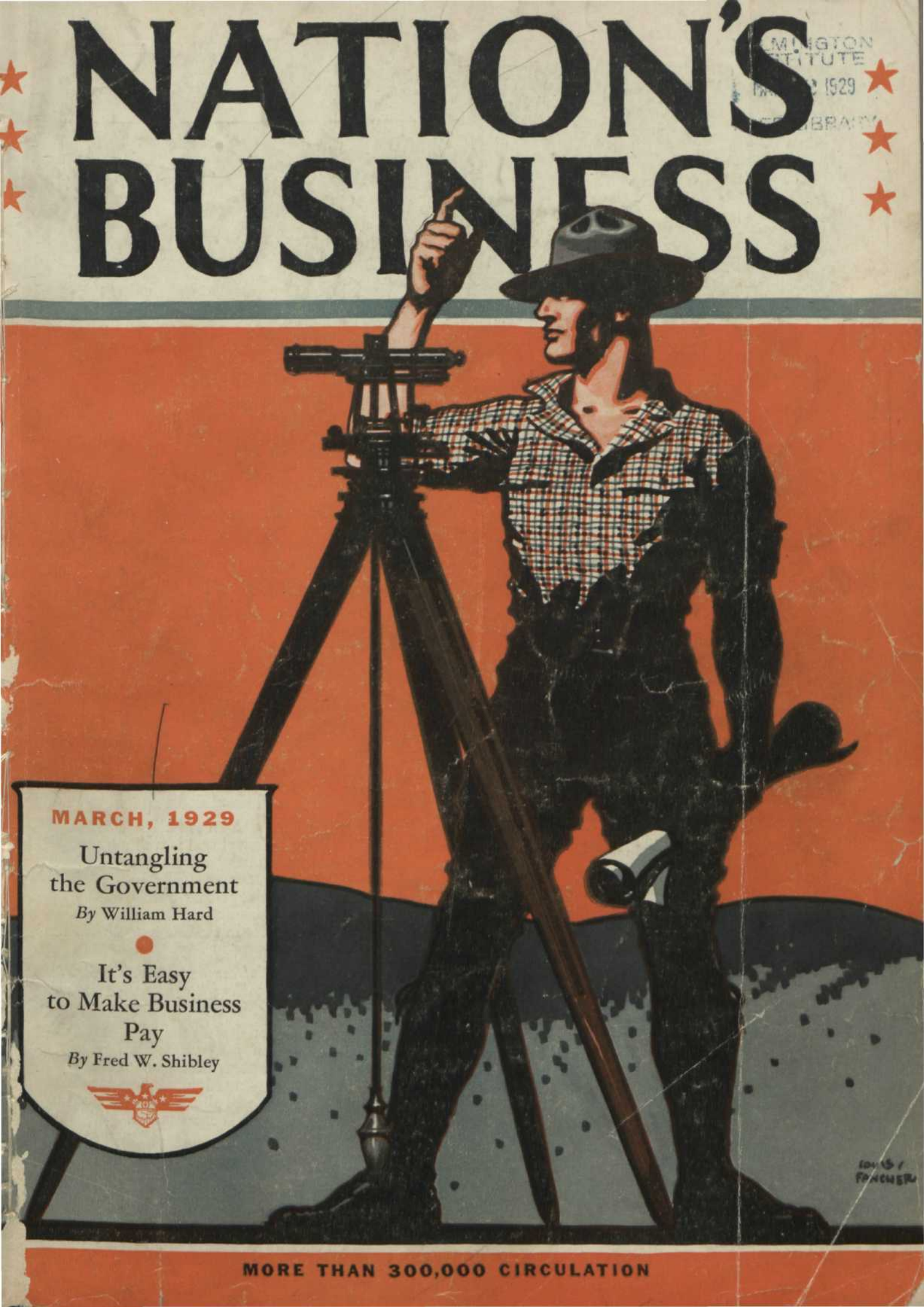


# NATION'S BUSINESS

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**MARCH, 1929**

Untangling  
the Government

*By William Hard*

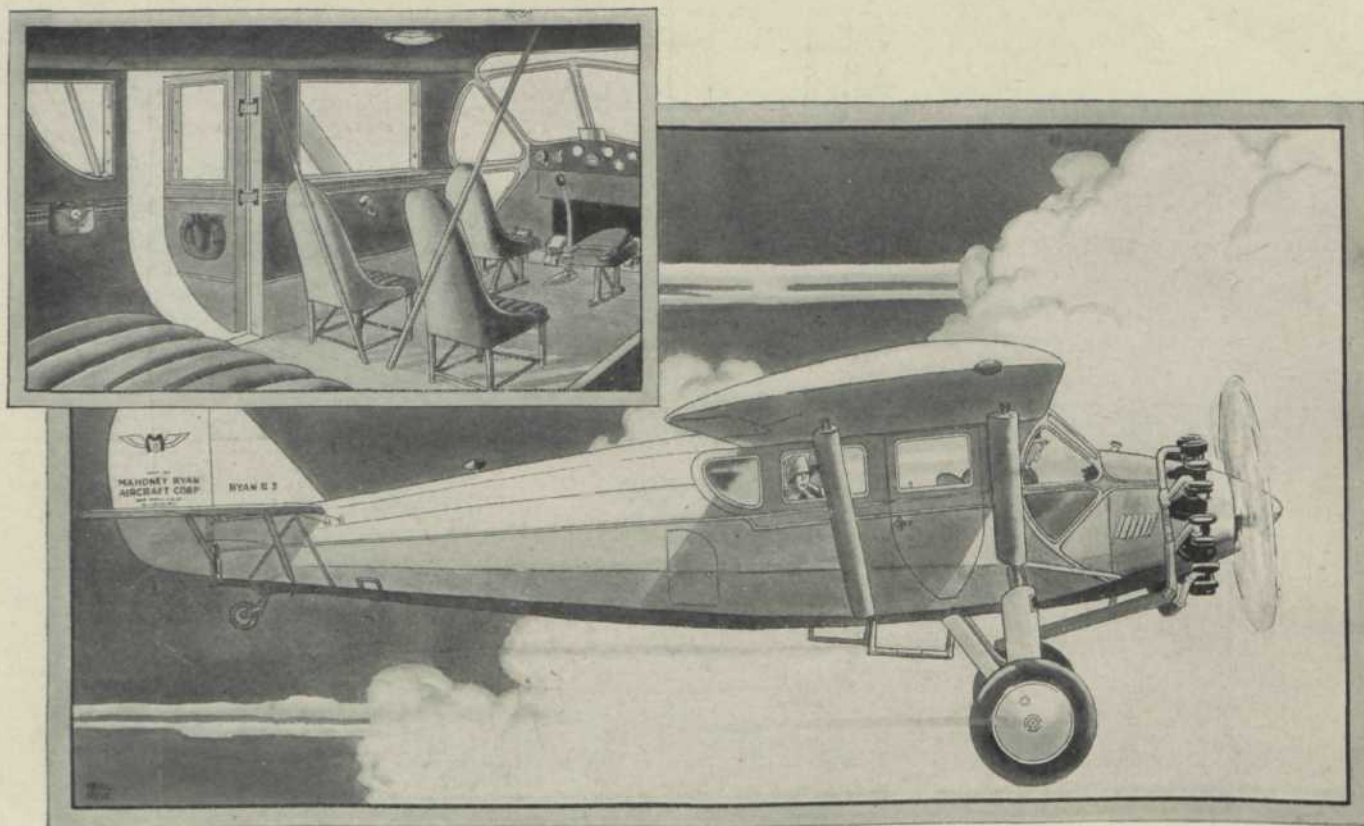
●  
It's Easy  
to Make Business  
Pay

*By Fred W. Shibley*



MORE THAN 300,000 CIRCULATION





# NEW!—Through and Through!

*"An unequaled bad-weather ship," say veteran pilots  
of the new Ryan Brougham for Six*

—And a fair weather ship beyond comparison, too—is this new Brougham, the most beautiful ship and the greatest performer Ryan ever built. The new Ryan represents the happy medium—speed, stability, maneuverability, and now perfected coachwork design puts it in a class with the finest motor cars.

"Inherent stability" is no longer an empty phrase. It is the verdict of every pilot who has flown this brilliant ship. "Hands off" flight is now commonplace—here is a ship which, properly balanced, will keep constant altitude at any engine speed . . . will recover automatically when the gun is cut . . . has directional stability, even at stalling speeds.

"Red" Harrigan, Ryan Chief Test Pilot, will tell you—and show you—it is the best balanced ship in America today. Pull the nose high in a stall and you will experience no falling off. If conditions demanded, this balanced ship could be flown and landed with the stick alone, or with only the rudder and stabilizer. *These vital qualities reach their biggest development in the Ryan.*

Exterior attractively paneled—interior in the best taste in coach design. Individual middle and control seats . . . comfortable for cross country trips. New controls give an absolutely clean floor . . . nothing to jam or catch . . . easy brake control . . . the ultimate in comfort and security.

This sure-winged Brougham is designed for first-class commercial air travel and is well adapted to special speed trips of business executives. *It takes off faster and lands slower than any other plane of its type.* The substantial performance given by the B-3 model with the Wright J-5 motor is amplified to an astounding degree in the B-5 model with the Wright J-6 motor.

*Created by a substantial company which built and sold more Whirlwind cabin ships in 1928 than any other maker.*

Ships of this new model are ready for early delivery through Mahoney-Ryan distributors situated at the leading airports throughout this country and abroad. Illustrated four-color brochure giving full description will shortly be available to interested individuals and corporations.

*The* **MAHONEY - RYAN AIRCRAFT CORP.**

Lambert-St. Louis  
Airport

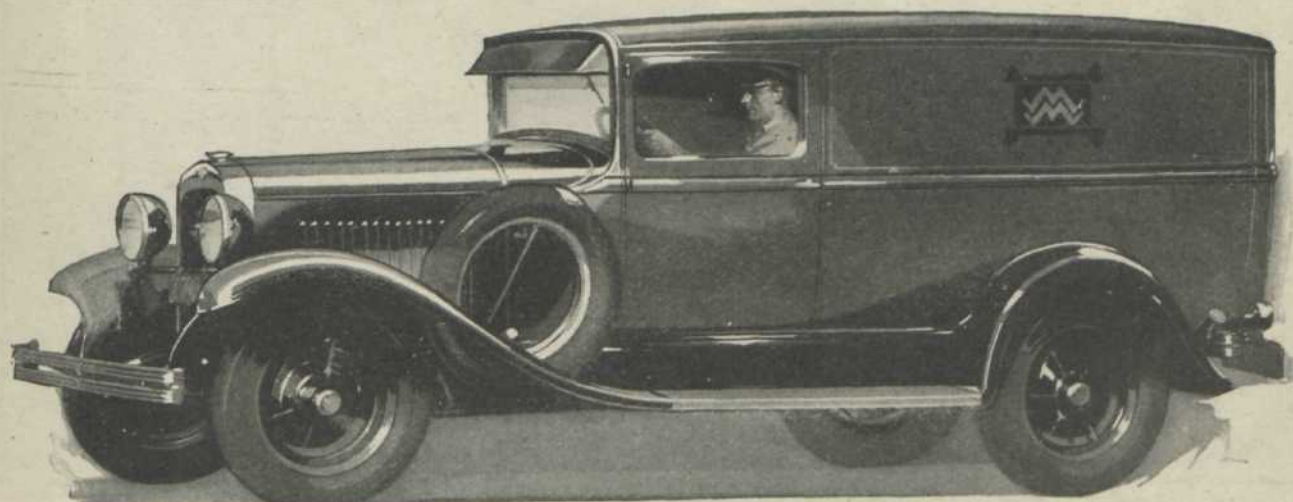


Anglum, St. Louis County  
Missouri



# FARGO

A CHRYSLER MOTORS PRODUCT



## NEW ECONOMY NEW SMARTNESS

### in these CHRYSLER-built trucks

**T**ODAY, since the coming of the new Fargo 1/2-ton Packet and the new Fargo 3/4-ton Clipper, buyers in this field are assured of economy and dependability, smartness and original design.



FARGO CLIPPER SEDAN—ideal for salesmen, for merchandise display, for station wagon or bus service. Seating capacity can be provided for eight, with seats instantly removable to permit use of compartment for standard load.

For Fargo is a Chrysler Motors product, built with all the quality, the

**FARGO PACKET PANEL**  
(Complete with Body)

**\$795**

F. O. B. FACTORY

beauty and the efficiency which Chrysler so well knows how to build.

If your hauling requirements are beyond the present Fargo capacities, you will be interested to know that very soon Fargo will announce 1-ton, 1 1/2-ton and 2-ton units.

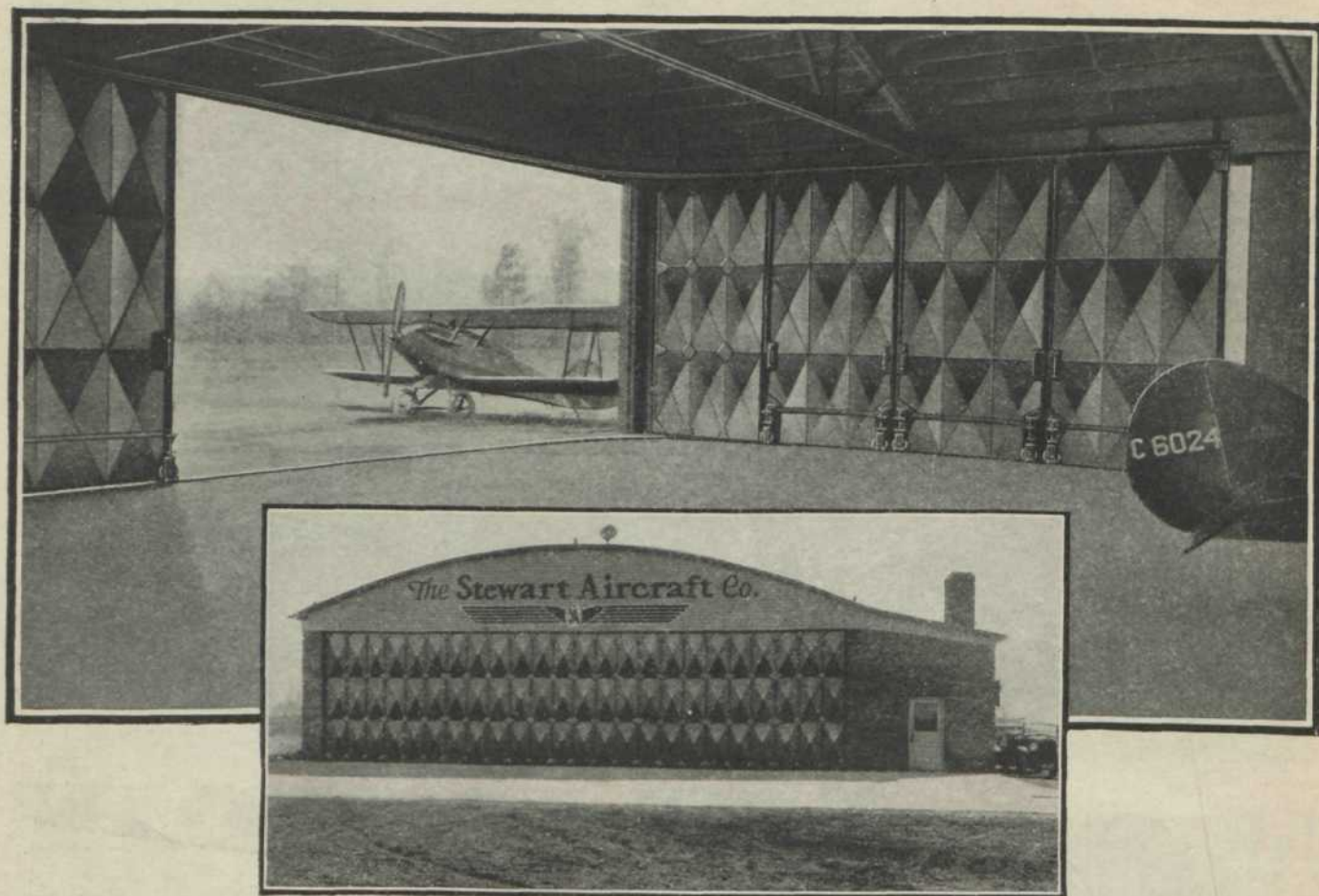
But every business house which needs motor delivery—and which wants that delivery to be economical, efficient, fast, trim and dependable—should look into the Fargo Packet and Clipper at once.

Their ruggedness, their appearance, their Chrysler quality will quickly convince you that for your own work there is no answer but Fargo. Get in touch with the Fargo dealer today.

Fargo 1/2-Ton Packet Prices—Panel \$795; Sedan \$895; Chassis \$545. Fargo 3/4-Ton Clipper Prices—Panel \$975; Sedan \$1075; Chassis \$725. (Prices of the Fargo 1-, 1 1/2- and 2-ton trucks will be announced later.) All prices f. o. b. factory. Fargo dealers are in a position to extend the convenience of time payments.

FARGO MOTOR CORPORATION, DETROIT, MICHIGAN  
(Division of Chrysler Corporation)





# There's an **R-W** Way for every doorway

The hangar of the Stewart Aircraft Company at the Cleveland Municipal Airport has a storage capacity of 10 planes. The doorway of the hangar is 56 ft. wide by 13 ft. 9 in. high.

When Richards-Wilcox engineers were called in to solve the doorway problem for this large opening, they installed 8 all-steel doors. They operate on curved floor rails which permit the doors to slide back to either side, allowing a full width unobstructed opening without center posts.

The top of the doors are guided by ball-bearing rollers between two channel irons. The whole weight of the doors—approximately 3 tons—is carried on R-W ball-bearing rollers running on floor rails firmly imbedded in concrete. The ball-bearing rollers give perfect balance to the doors and make one-man operation easy.

The Richards-Wilcox all-metal construction assures a door that will not warp or swell because of rain, snow, and freezing weather.

*Richards-Wilcox all-metal doors and door hardware are not just so much hardware and material. Behind every installation are Richards-Wilcox engineers, who design doorway equipment to function efficiently, economically, and without trouble. If you have a doorway problem an R-W doorway engineer will be glad to talk it over with you. There's an R-W Way.*

## Richards-Wilcox Mfg. Co.

"A Hanger for any Door that Slides."

New York • • • AURORA, ILLINOIS, U.S.A. • • • Chicago  
 Boston Philadelphia Cleveland Cincinnati Indianapolis St. Louis New Orleans Des Moines  
 Minneapolis Kansas City Los Angeles San Francisco Omaha Seattle Detroit  
 Montreal • RICHARDS-WILCOX CANADIAN CO., LTD., LONDON, ONT. • Winnipeg



# W. S. Hovey, President Fairbanks, Morse & Co.

*says*

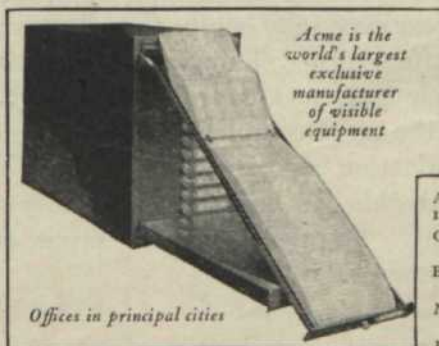
*"Our coordination of stock on-hand and production is greatly aided... by our Acme System."*

IT was 98 years ago that the first Fairbanks scale was made. Today Fairbanks, Morse & Co. have five plants and sell scales, engines, pumps and other products all over the world.

Mr. Hovey has been actively in charge of manufacturing activities for the last 10 years. He speaks with authority when he says:

*"One of the problems of industry today is coupling prompt service to customers with economy in manufacture. Our coordination of stock and production is greatly aided by having such records instantly available in our Acme System."*

Having records instantly available is vitally important today in every business and in every



department, to give executives the close control of their companies that the fast pace demands.

Acme Visible Records will give you the facts when you need them. And yet they are so simple that even a school boy could keep them.

Just how practical and simple these records are is shown in our booklet, "Profitable Business Control." Send for your copy now. Tear out the coupon and mail it today.

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Without obligation on my part, you may send me your book, "Profitable Business Control."

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## ACME VISIBLE RECORDS



# New economies in sight

## A short talk about scientific lubrication

**B**ECAUSE your executive meetings are not interrupted by the scream of dry bearings is no sign that your lubrication is delivering all the economies possible in your plant.

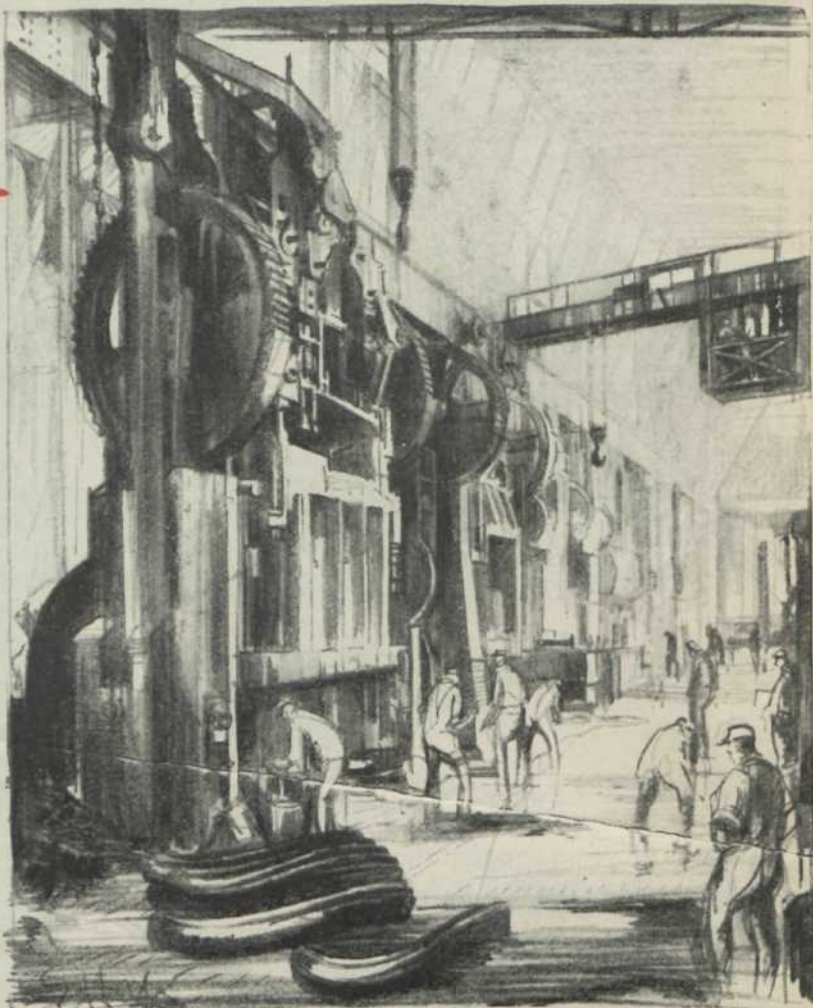
Correct lubrication is today a science that extends far beyond the brand of oil you use or the price you pay for it.

Operators who give it the careful attention they give to other major factors in their plants are realizing great economies. These economies show up in a multitude of ways—usually different in various types of plants.

For instance, when a well-known manufacturer of machinery adopted Gargoyle lubricants and applied them, according to scientific methods, his maintenance work was handled by 4 fewer millwrights. In addition, due to better application methods, he was able to dispense with 2 oilers. His total saving was \$10,272 in a single year.

But if this were all that scientific lubrication could offer you, we would not expect you to be more than passingly interested. Its real benefits are evidenced by a number of far more fundamental economies:—slower depreciation, reductions in time that machinery is out of service for repairs, reduced power losses, decreased idle-labor hours, increased production, and greater all-around plant efficiency.

The manufacture and correct application of quality lubricants is the special function of the Vacuum Oil Company. For 63 years we have specialized



No matter what your product may be, correct lubrication can bring about definite economies and increased efficiency.

in this service. The experience gained by our world-wide force of more than 300 skilled Lubricating Engineers in making over 90,000 engineering visits a year especially equips them to advise manufacturing plants in all industries. Their practical experience is backed by the most complete compendium of lubrication experience in the world.

All this can be put to work in your plant. Your request will bring our representative.

THE GIANT STAMPERS  
One of a series of industrial drawings by Earl Horter



**Lubricating  
Oils**

The world's  
quality oils for  
plant lubrication

## Vacuum Oil Company

HEADQUARTERS: 61 BROADWAY, NEW YORK

BRANCHES AND DISTRIBUTING WAREHOUSES THROUGHOUT THE COUNTRY



This Month  
and Next

“HOW,” asked a banker, “can a magazine talk to 300,000 business men? What’s the common ground on which the ‘butcher, the baker, the candlestick maker’ can meet with the banker, the insurance man and the builder?”

There is a common ground, for the butcher asks the banker and the banker asks the butcher, “How’s business?” and each asks it honestly. The butcher thinks the chain store is peculiarly his own worry but the banker is intimately concerned with it. One of the reasons NATION’S BUSINESS lives is to let the butcher see that the banker is gravely concerned over things such as the growth of chain stores.

It is Fred W. Shibley of the Bankers Trust Company who insists on some general principles on which “It’s Easy to Make Business Pay,” (page 18) and he writes as a banker who’s had much experience in heading industries on the right path.



A. E. Macauley

Business finds a common denominator in government. There’s not a reader of this magazine who hasn’t faced the task of simplifying his own business. The new administration is facing the task of simplifying the Federal Government. William Hard, a Washington observer, in his article “Untangling the Government” (page 15) gives a first-hand and a first-rate view of a problem very difficult but not impossible of solution.

Industrial relations is a high sounding phrase, a phrase associated in too many minds with great manufacturing plants employing thousands of men. But “industrial relations” exist wherever one man works for another. Again a common denominator, and one written about authoritatively and interestingly by Edward S. Cowdrick in “Labor Explores New Fields” (page 27).

Is traffic a common denominator? Ask the retailer who sees his store aisles a continuation of the city streets and who wants traffic flowing smoothly and steadily through both. Ask the manufacturer who has 500 workmen, 60 per cent of whom



William Hard



Dr. R. A. Millikan

VOLUME SEVENTEEN

NUMBER THREE

NATION'S BUSINESS

Published Monthly by the Chamber of Commerce of the United States, Washington, D. C.

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## Combing Foreign Markets

THE representative of an American curtain importer, on a trip abroad to purchase merchandise wherever goods of satisfactory quality and price could be found, carried an Irving Trust Company Commercial Letter of Credit.

To avoid delays and the expense of opening new credits for the various shippers this Company provided the traveler with a Letter of Credit which was assignable. This feature permitted the assignment of necessary portions of the Credit in any city where purchases were made. The local banks, through which this was done, made payment to shippers only upon presentation of satisfactory shipping documents.

In this way credit was established in Germany, Switzerland and Belgium with the one Letter of Credit. The buyer was able to close on the spot deals for desirable merchandise at the best prices.

Representatives of American importers, combing the markets of Europe and Asia for merchandise, save time and money by carrying with them an Irving Commercial Letter of Credit.

## IRVING TRUST COMPANY

Out-of-Town Office—Woolworth Building

*New York*

own automobiles. Read, then, as an approach to the subject, Alvan D. Macauley's "There's No Need to Clog the Streets" (page 49). Mr. Macauley makes and sells Packard automobiles. "His is a selfish view," you say. Yes, but not wholly. He knows that automobiles can't be sold unless they can be used and he, too, seeks the common denominator of business interest in traffic.



Henry Thornton

Two articles on the common denominator of meeting together: Seth Dunham's "I Know What's Wrong with Conventions," a gay but truthful discussion of business stupidity in planning gatherings (page 32); Marshall Dana's "The Committees Do Get Results," a story of how the National Chamber works (page 116).

Sir Henry Thornton, born in the United States and adopted by Canada, has achieved most uncommon things in the railroad business but he still serves as a common denominator between the neighbor nations. In his "Canada's New Prosperity" (page 105) he paints a picture of Canada that will interest the business men of both Canada and America.



Dr. F. D. Farrell

Dr. Robert Millikan furthers the common bond between business and science by revealing something of their ancient kinship. "Who Gave Us Our Modern Wonders" is the title (page 36).

Another angle of the relationship between business and science—and this time a very modern angle—is treated by Second Assistant Postmaster General Glover in "Speeding the Air Mail Service" (page 72).



L. S. Storrs

Then we have Dr. F. D. Farrell's presentation of the agricultural situation, "The Farmer's Horizon Brightens" (page 58). An unusual piece, written by Lucius S. Storrs, sets forth the seldom-heard side of the street car situation. Storrs voices the companies' view of the controversy and his discussion is as frank as the title, "The Public Must Ride—and Pay" (page 95).

For next month we have found new common denominators of interest for our readers of which the following are but a few: Edsel Ford's discussion of aviation; Senator



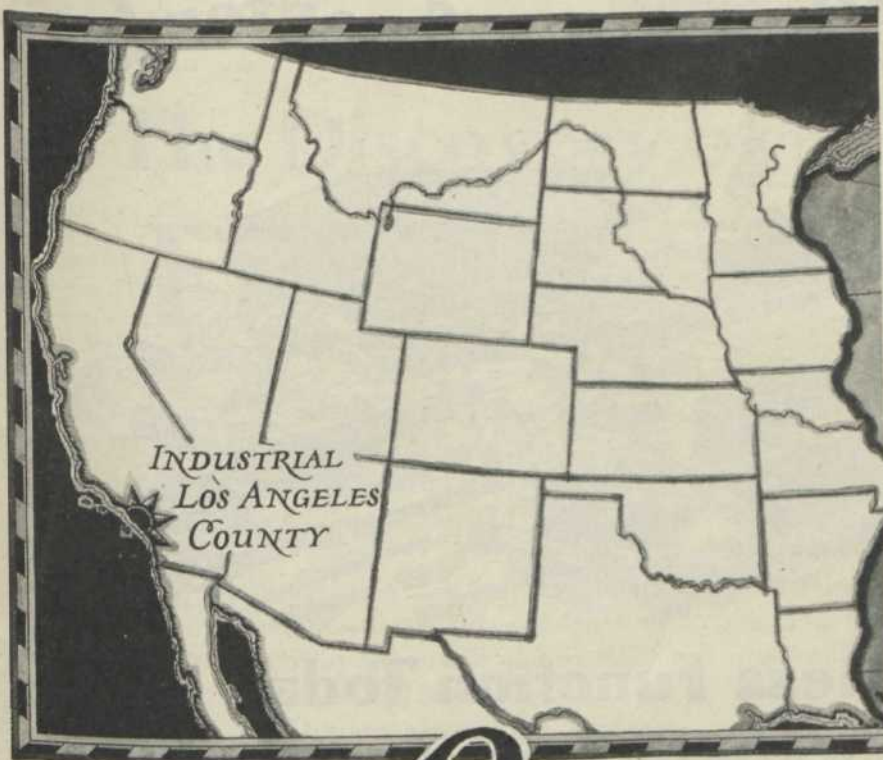
W. F. Merrill

Couzen's study of the employment problem; an article by William F. Merrill, president of Remington Rand, Inc., on mechanized distribution, and Edward A. Filene's views on wider business horizons.



# FIRST

*in Production of* FURNITURE



West of the  
MISSISSIPPI  
RIVER



# Los Angeles

THE INDUSTRIAL COUNTY

HOMES make the Nation's industries. Furniture sales mean substantial home buyers. Not only is the immense concentrated market of Southern California responsible for western leadership of Los Angeles furniture manufacturers but quick and economical distribution brings the vast Western States market to them. The same elements that have given western predominance to furniture manufacturers in Los Angeles County, can and will bring development to manufacturers in other lines.

*For more specific information kindly address*

INDUSTRIAL DEPARTMENT LOS ANGELES Chamber of Commerce

New manufacturers will find these advantages in Los Angeles County:—Good factory sites—Low building costs—Contented open-shop labor—Mild climate—Largest concentrated market on Pacific Coast—Cheap varied raw materials—Strategic location for export—and low power costs.

**INDUSTRIAL LOS ANGELES COUNTY**

*When writing to INDUSTRIAL DEPARTMENT, LOS ANGELES CHAMBER OF COMMERCE please mention Nation's Business*



# Modern Traffic Could Not Operate on the roads of yesterday



## Nor Can Business Function Today On Methods of Another Day

Business today must be geared to meet the requirements of 1929. Yesterday's methods, good though they may have been in their time, can not satisfy current demands any more than dirt roads and a go-as-you-please rule could now handle the swift flow of modern traffic.

Up-to-date methods, in both factory and office, are *machine* methods. "Swift and sure" is their slogan.

The work of reducing costs, controlling material and expenses, directing sales, locating financial leaks, and devising new and more profitable policies is now accomplished with the aid of automatic devices—International Business Machines.

International Business Machines are swift, sure and economical. They enable fewer people to do more work in less time. The proof of their ability to put business activities on a profit-building basis is found in their wide application; in sixty-five countries of the world this time-, labor-, and money-saving equipment is being used by concerns of every size and kind.

*International Business Machines protect and build profits. Telephone or write to us regarding your problem. We shall gladly send one of our representatives to talk it over with you. No obligation whatever.*

### Products

Electric Tabulating and  
Accounting Machines  
(Hollerith Patents)

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cording, Time Signaling  
and Time Indicating De-  
vices

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Scales and Store Equip-  
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Machines received the  
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# The Discovery of Management

**E**VEN schoolboys appreciate the discoveries of Columbus, Watt, Pasteur, Edison, Curie, Marconi. Their trail-blazing has been humanized and dramatized into a world-wide comprehension.

But, outside of the physical realm, other discoveries, vital in their consequences, are being made by the whole people.

Perhaps the most significant discovery of the present day is the discovery of management by the public and by itself. Scrutiny is more and more directed to an appraisal of leaders. Not so long ago the balance sheet was enough. But today, into the scales go also the human assets—the integrity, the skill, the steadiness, the resourcefulness of men in meeting and interpreting changes in our living and thinking.

Sales of stock and the daily flotation of large blocks of securities remind us that the public is capitalizing its faith in the words and works of men.

Management likewise has discovered its own power. It is eliminating wastes in manufacturing, distribution, selling, financing—undreamed of a decade ago. Note the evidence in a day's news. The new manager of a public utility trims out deadwood to the extent of \$250,000 in the first three months of his administration. The new head of a coal company short-cuts his statistical work at substantial saving and now gets his reports days earlier. An old concern doing a volume of millions at one per cent profit, taken over by new and resourceful man-

agement, shows prospects of yielding 15 per cent this year.

Industry hath its red tape no less renowned than government.

Consider the crisp offer made by Sidney Z. Mitchell to Sir George Armstrong. "I will guarantee you to go to London and cut your price of power one-half if you will let me combine your distribution facilities," said Mr. Mitchell. "Oh," responded Sir George, "that could not be done because there are old employes who cannot be turned off in any consolidation." Said Mr. Mitchell: "Tell me your finest country club, and I will buy it and put all of these people there, and hire a thousand lackeys to serve them; I will have golf and billiards and everything else. Then, I will give them the best time they ever had for the rest of their lives, and still save you money."

The bold enthusiasm of the statement is characteristic of a new race of executives, who feel no loyalty to the old order, who regard management a trusteeship "to help this day live its life and this generation make its contribution to progress."

The exploits of management today, how sensational, how spectacular! And what conquests the future holds! The appetite for newer and greater objectives, the hungry demand for a chance to do "the impossible," is at once a stirring tribute to American business and an earnest of greater things to come.

*Merce Thorne*





As a suggestion, show this page to your local officials responsible for airport development. It may prove a real service to your community.

## Austin is Ready to Make an Airport Survey and Report for You

AUSTIN is ready to hop at a moment's notice! A telegram, a phone call or letter will bring an Austin Airport Engineer, who is prepared to make the selection of a site for your proposed airport.

On the same trip, or later, arrangements may be made for a complete Survey and Report, which will include layout of field, recommendations as to development, together with estimated cost of all work involved.

Site selection, Survey and Report, for a moderate fee, by Austin, nationally recognized Airport Engineers and Builders will enable you to obtain the most favorable consideration for the financing of your airport.

Whatever type or size of project you may be considering—industrial construction of any kind, complete airport, hangar, factory or other buildings—it will pay you to get in touch with Austin. Phone the nearest office, wire, or mail the Memo below

**THE AUSTIN COMPANY, Engineers and Builders, Cleveland**  
 New York Chicago Philadelphia Detroit Cincinnati Pittsburgh St. Louis Seattle Portland  
 The Austin Company of California: Los Angeles and San Francisco The Austin Company of Texas: Dallas

# AUSTIN

Memo to THE AUSTIN COMPANY, Cleveland—

We are interested in a

project containing \_\_\_\_\_ sq. ft. Send me a personal copy of

☐ "The Austin Book of Buildings." Individual \_\_\_\_\_  
☐ "Airports and Aviation Buildings." \_\_\_\_\_

Firm \_\_\_\_\_ City \_\_\_\_\_

NB 3-29



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# NATION'S BUSINESS



*Published at Washington by the Chamber of Commerce of the United States*

MERLE THORPE, Editor

## As the Business World Wags

THUS WE MAY SEE, QUOTH HE,  
HOW THE WORLD WAGS—*As You Like It.*

### *Making What Can Be Sold*



"WHAT'S the most important thing in business today?" asked a banker.

The answer, of course, was "Well, what is?" and he went on:

"The extent to which the impetus in business is coming not from the manufacturer but from the retailer. We have changed a little from first making and then insisting that the consumer buy. We are beginning now, more than ever, to find out what the buyer will use and can pay for and then saying to the manufacturer, 'Make this exactly this way. We can sell it.'"

Then the banker told a story to illustrate his point.

Not long ago a large chain looked about for something to sell which it hadn't already in stock. An alert young officer of the company suggested an article. It wasn't soup plates but that will do for the illustration. The chain learned that the public was used to buying a soup plate of a certain size and was in the habit of paying from ten to fifteen cents each.

How many soup plates does the average family need at a time?

About six. Can we get a manufacturer to turn out soup plates neatly packaged and salable to the consumer at six for fifty cents with a profit to himself and to the retailer?

To that question, some study of costs gave an affirmative answer. With a reasonable prospect of large sales, plus some cutting of costs both in production and distribution six soup plates could be sold in a cash and carry chain for half a dollar.

Now let the banker pick up the story again:

"The next question was who should make them and the distributors came to me. I knew a manufacturer of soup plates who needed business badly and we put the plan up to him. 'No, it couldn't be done.' Soup plates never had been retailed at that price and so far as he was concerned never would be.

"We tried another and another with the same result. Finally one of the most important makers of soup plates was approached. He was surprisingly receptive but he had one stipulation. The soup plates must be sold not with the name of the chain but with his brand and label.

"And," said the banker, "that's being done. The maker so far at least is profiting. The distributor is profiting and the public is getting acceptable soup plates

at half a dollar a half a dozen where once it paid from sixty cents to ninety cents for poorer or at least no better goods."

"The answer?" repeated the banker. "I don't know it except what I said to you, that more and more business is beginning by finding out not what can be made and then trying to sell it but by finding out what can be sold and then trying to make it."

### *Sharing Responsibility*



SOON after this magazine reaches its readers the contest over the affairs of the Standard Oil Company of Indiana will have been for the moment settled. Either the supporters of John D. Rockefeller, Jr., or the supporters of Col. Robert Stewart will be in control.

Whatever the outcome of that contest, whatever the rights and wrongs of the dispute, one result that may well come is a new concept on the part of investors of the responsibilities of a buyer of securities.

The head of a very great company whose stockholders are numbered by the tens of thousands once said to an editor of this magazine of the relations of the management of his company to its stockholders:

"We think of these men and women primarily as investors for whom we are trustees. It is our duty so to conduct the business that the public who use our product shall be well served and that those who entrust to us their money shall be fairly rewarded for its use by dividends. We do not think of them primarily as participants in our business."

Yet stockholders in the Standard Oil of Indiana have learned that they have a responsibility, that they are called upon to form an opinion upon the rights and wrongs of management.

They have learned that they are, in a very real sense, shareholders—holders not merely of a share in the assets but of a share in the responsibilities.

### *Limitation of Government*



A CORRESPONDENT of the *Manchester Guardian* has a little quarrel with the British Government so like the quarrels which American business men have with their Government that it is worth repeating:

Having lately erected a small shed beside my country cottage—a garage, if I am to use a magnificent term—I find myself liable, among other things, for increased land tax, and have just had to



pay a bill of fourpence for the half-year. The summons to pay reached me by post. An envelope, franking the remittance, was enclosed. And, lastly, the receipt has now come to hand, also by post. Apparently the Inland Revenue has spent fourpence-halfpenny in securing fourpence. Is it not gratifying to know with what zeal the national finances are supported?

First thought: "There's red tape for you." But is it red tape unless we accept red tape as a synonym for government? What would the *Guardian's* correspondent have the Government do: ignore the fourpence? And if it ignores the fourpence shall it ignore the four shillings and the four pounds?

An individual business would ignore the fourpence and collect the four pounds but individual business is run to make money and to avoid waste because it interferes with making money, to let the little thing go for the sake of the bigger thing.

Government can't and shouldn't do things that way. Government must do things by rule and regulation. It must pursue the fourpence as formally as if it were four pounds or four hundred pounds.

And that is one of the reasons why government shouldn't go into business. Government must work by rule and formula. It can be simplified, straightened out perhaps, but it never can be quite free of that thing we call "red tape."

### Makers Not Just Sellers



**A**N able and an ardent chamber of commerce worker said to his fellow members of the National Association of Commercial Organization Secretaries:

"The successful secretary of today is in reality no more than the sales manager of his city and community. The primary object of his position is to 'sell' his city to the world."

To which our answer is: "Wrong—not all wrong, not 100 per cent wrong, but surely at least 50 per cent and perhaps 75 per cent wrong."

The chamber of commerce and its secretarial staff are not just salesmen. Theirs is not primarily the task of taking what is and exploiting it to the rest of the world. Theirs is a bigger job first, a job of making their community more worth while, more salable if you like. The chamber and the secretary are not merely salesmen, they are makers—builders, if you will—of the community.

It might be worth a secretary's while to think of his job in these terms:

"It's up to us first to make the city salable; then we'll sell it."

### Bounds of Government



**W**HAT ARE the functions of government? No more important question presses upon the American public for answer. It is not merely the problem of govern-

ment as against individual ownership. It includes the whole question of supervision of business by government. We accept the regulation of public utilities but what kind of regulation?

Orators have told us that our public school system was the backbone of American greatness and we have sat nodding our heads in approval. But how many of us have asked ourselves this question:

How far shall government go? Shall education through high school, university and professional school

be provided by the state and city for all its population or shall we draw a line and say: "Public high schools, yes; public universities, no." A few decades ago public high schools were fought in American cities on the ground that there should be no education of the few at the expense of the many; that the city which taught its children to read, write and cipher had done its full duty.

If the government educates our children how far shall it go in supervising their health? If it exercises the right—and who would question that right—of keeping out of school a child with a communicable disease, shall it not correct those defects which affect only the child itself, defective eyesight and neglected teeth?

We accept that it is a function of government to supply us with water but not milk. On the other hand we accept a government supervision of the quality of milk. If milk why not clothes? Some of us perhaps can tell diluted milk who could not tell diluted wool or silk or cotton.

Questions so easy to ask, so hard to answer.

### The Debt of Art To Business



**R**ESPONSIBILITIES of Business is the topic for this year's Annual Meeting of the Chamber of Commerce of the United States.

Robert W. deForest, president of the Metropolitan Museum of New York, told the dry goods retailers at their annual meeting in New York the other day that they had a responsibility toward art. The dry goods men went through the museum and then Mr. deForest said:

"The country has not yet realized the opportunity of department stores. There is no reason why every department store should not be a museum. I would like to have you remember that you can all be missionaries of beauty. Your influence is far greater than all the museums. You are the most fruitful and useful source of art in America."

And the reverse of the medal is this: the same opportunity which may make for good art and a finer thing in the home may with equal force lower the tastes of the country.

### What is Sound Growth?



**A** CHAMBER of commerce in an important midwest city congratulates itself through its bulletin on having acquired a new industry.

There is no indication of the number of employees of the newcomer save that it "has already installed 36 machines and has turned out a fine line of samples which salesmen are already taking on the road."

To get this new industry the chamber did at least two things. Its Industrial Bureau conducted an investigation of the business and a fund of \$30,000 was subscribed to be loaned to the new company taking as security property belonging to the owner of the incoming industry.

This news appears on the first page of the chamber's bulletin and it is undoubtedly news which the city will welcome.

But, on an inside page of the same bulletin is another and briefer note. One of the country's large manufacturing industries is extending its plant in the same city. It is adding "several hundred men to the payroll." It is a company which pays millions in dividends, which



distributes great sums in wages and in bonuses to its workers. It is a company which grows from within, which when it seeks new sites for its plants or plans additions to its present plant does so with one question in its mind:

"Where can we most advantageously place our needed and added equipment?"

It's hard to avoid asking:

"Which is better for the community, the newcomer from outside shopping for the place which will give it something or the business already established and growing soundly and sanely because it has found the place in which to grow?"

### Prevention That Prevents



for a time and then dropped. It is a continuing year to year job.

Illustration is found in the city of Albany, Georgia, which has won three national trophies for lowering its fire loss, has not for two years competed, yet has carried on its work with constantly better results.

In 1928 its fire loss was only \$4,250, which is but .16 of one per cent of the property involved. Such results mean an impetus given by a national movement carried on by government with the cooperation of the business interests of the community.

"Starting something" through organization is excellent, but starting something that doesn't stop is what really counts.

### The Business of Reading



letters to write; too many decisions to make; too many men who want to talk to me and to whom I want to talk. I do read it in the evening but then there are always interruptions and often I feel that I want to read something that will take my mind away from my business."

The subscriber's state of mind is common and understandable. But he makes one mistake. He has time to read in the office. But his trouble is that he doesn't clearly enough see reading as a part of his business.

He needs to learn from the president of one of our great manufacturing corporations who sets aside fixed parts of his business day for business reading, and who will no more allow that time to be broken in on than he would allow an invasion of the time he has allotted to an important caller.

To our subscriber who would read NATION'S BUSINESS, but who says "he hasn't time" we suggest that he tell his secretary to make a note on his daily engagement calendar like this:

#### MARCH 5

9:30—MR. SMITH—Sales in Indiana.

9:45—MR. JONES—Advertising program for second six months of 1929.

10:00—NATION'S BUSINESS.

10:45—MR. ROBINSON—Wants to discuss Pacific Coast Branch.

And we suggest to our subscriber who would read but hasn't time, that, having made the engagement, he keep



FOR fifteen years Joseph H. Defrees had been associated with the Chamber of Commerce of the United States. For two years he was its President; for four years Chairman of its Executive Committee, and when he died on February 5, Chairman of its Board of Directors. To each office he brought a keen interest, a wise understanding and a kindly tolerance of the views of others.

To the Chamber, Mr. Defrees gave freely of that thing which it is hardest for a man to give—himself. There was no perfunctory service on his part, no mere lending of his name, no desire for the distinction that came with the place.

Few men have had a finer faith in the need, and a finer vision of the usefulness, of organization. He coined and put into circulation that phrase which so well sets forth the Chamber's creed:

IF IT IS NOT IN THE INTEREST OF THE PUBLIC IT IS NOT IN THE INTEREST OF BUSINESS.

In no other sentence could Mr. Defrees' service to American business be better summed up.

*Mr. Battisworth*

President, Chamber of Commerce of the United States



it, keep it as religiously as he would keep an appointment with his banker or his best customer.

No business man, whether he be on top of the business ladder or on the way up, can afford to neglect his business reading and the surest way not to overlook it is to systematize it, to make it an integral part of the day's work.

Make an appointment with the next issue of NATION'S BUSINESS. Give it your uninterrupted attention for half or three quarters of an hour. Sort out of it the things you want to read at once; put aside some articles you'd like to take home with you; make yourself read the things that you realize you need to know, no matter if they look "heavy" or "serious."

NATION'S BUSINESS belongs in your business life and the way to make it worth while is to fit it into a fixed and certain place.

### Who Shall Make the Price



**R**ALPH C. HUDSON is president of the National Dry Goods Association and it is fair to assume that when he addresses that body he voices what a substantial part of the retail dry goods industry thinks.

We commend, then, to the attention of advertisers and manufacturers his description of a "problem of national significance." He deplores "the rather continuous and sustained effort of certain manufacturing interests and of some shortsighted retailers to perpetuate price control in the hands of the manufacturers of our nationally advertised goods."

"This project," Mr. Hudson went on to say, "is fraught with great danger, and is one which should be resisted by every retail merchant who has any regard for his birthright of independence of action and of being master of his own fortunes, and of being permitted to do exactly what necessity and good judgment dictate, with merchandise for which he has paid his own real money."

Another indication perhaps of conflict between mass producer and mass distributor. Each has his point of view. The man who makes a shoe which he advertises widely to sell at \$10 and which he believes to be worth that price can't with an undisturbed soul see his shoe sold here and there as "a special sale \$8.43."

Nor does the retailer who sees on his shelves twenty or forty pairs of the same shoes like to feel that he can't sell them at a price that suits him.

What does the buyer think? Does he resent or welcome uncertainty of prices? After all the answer is with him.

### Canadian and American Ethics



**T**HE Plattsburg News and its contemporary across the border, the Montreal Gazette, have been editorially disputing about the comparative commercial morality of Canada and the United States, taking as their text the article "Ridding Business of Bribery," by Shirley D. Mayers in NATION'S BUSINESS for December.

The Gazette describes it as a "somewhat disturbing article with respect to the prevalence of bribery in commerce through the United States," and goes on to say that there is "little if any of that sort of thing attaching to Canadian business." To which the News retorts that "there is no great difference between the business methods of Canadians and Americans."

But the Gazette's real error was interpreting the article

as an indictment of all business. It was a recognition that such practices do exist and that business itself must see to it that its house is put in order, but as Mr. Mayers points out of one industry (and it is true of business as a whole), "The bribery situation has improved 90 per cent in ten years."

There are bad men in politics and bad men in business. There are, what may be even worse, indifferent and thoughtless men within business and politics, but the tone of both is vastly better than it was a generation ago.

### Give Mr. Hoover "WHAT does business expect of Hoover?"

#### A Chance!



The answer to that question can be put in two words "too much."

We have had a long occupancy of the White House by "a statesman whose watchwords have been 'caution' and 'economy.'" His was a task of letting the country find itself after the great convulsion of war. Business seems to have been in general agreement that he did the job well.

The pressure on Mr. Hoover is to "do things," to be a "constructive" president. He goes to Florida and is urged to ask Congress to finish a partly done drainage project; strong pressure is brought upon him to speed up the creation of a great reserve fund for public works that unemployment may be prevented; a tariff having been suggested as one means of helping the farmer the cry is insistent in some quarters that the whole tariff be done over.

Already the press that opposed Hoover is saying that before the end of the first year of the new administration there will be a threatened deficit and a cry for an increase in federal taxes.

Some of the overenthusiastic friends of the president-elect might well restrain their enthusiasm and quiet their cries that "something should be done."

President Coolidge once said that worse things might happen to an administration than *not* to be on the front page. Disaster happens more often from being too fast than from being too slow.

Mr. Hoover's friends might well quiet their fear that some one will hurl at him the deadly phrase "he isn't constructive" and let him work out his own plans in his own way and at his own time.

### Starting at the Top



**I**N OUR youth it was impressed upon us that there was "plenty of room at the top" but that the way to that top was long and arduous and that one must expect to start at the bottom. As we grew older we read the inspiring example of Henry Ford who began as a bicycle mechanic or of Herbert Hoover or Calvin Coolidge who started their useful and impressive lives on small farms.

And we learned too that great business grew from humble beginnings. We recall somewhere pictures of the shack where the first Dupont factory started and of the plant where Gray and Barton began what is now the Western Electric Company.

And having thoroughly absorbed these principles, having accepted the fact that great oaks do grow from little acorns, we pick up our newspaper and read of a bank which opens its doors with a paid in capital and surplus of \$55,000,000 and deposits of \$200,000,000.

If we start life over again, which now seems unlikely, we shall seriously consider beginning at the top.





# Untangling the Government

By WILLIAM HARD

Decorations by Wilfred Jones

**T**HE most difficult problem confronting the new President of the United States is the one disarmingly called The Reorganization of the Federal Government on Business Principles.

It has a simple sound; but the reality behind the sound contains immense complications and vast vexations, intellectual, political and personal.

The business man says—and truly:

"The Government should be reorganized. Its departments, bureaus, boards, commissions, and so on, should be simplified. Their many overlappings and du-

PLICATIONS should be eliminated. Business now is asking what is to be done. Every one of the snags in the way is found in the question of where to put prohibition enforcement, here discussed by William Hard. He shows what a difficult—but not impossible—task the whole thing really is

plications should be eliminated.

"The merchant, the manufacturer, the banker, the trader, should cease to be tormented by numerous governmental agencies interrogating him and regulating him and persecuting him on the same subject.

"The Government has functions. It has agencies. Let all functions be sorted out into groups, logically. Let each agency handle its own groups of functions, exclusively and completely. Save time and money. Let it be done."

That is what the business man says, and he is now to have a President of the United States





whose interest in the problem has been often expressed. The simplification of the Federal Government lies among the major purposes of Herbert Hoover.

The writer proposes in this and succeeding articles to discuss that simplification with all due thoroughness and without any unduly hasty conclusions. It will be one of his aims to say, in effect, to the reader:

"I now have shown you the reasons for the existing situation. I also have shown you the reasons for a certain projected change. In the circumstances, what would you do?"

In other words, we are all, as it were, sitting on the floor in front of an enormous picture-puzzle called the Federal Government. The pieces have been put together in certain ways, in certain patterns.

We do not altogether like the pictures which have resulted. As exercises in political science, we are going to tear the pieces apart and, in our mind's eye, scatter them all over the room.

How would each one of us put the pieces together again to make better pictures?

The first exercise will deal with a part of the picture-puzzle that now is bulking large in practical political thought. It is the enforcement of the Eighteenth Amendment and the Volstead Law.

A diligent attentiveness to that enforcement was pledged by Mr. Hoover during the recent campaign.

Two projects arose out of his contemplation of the subject of enforcement.

The first was for a presidential commission of scientifically minded citizens to inquire into enforcement along the line of its present organization and along the line also of possible improvements in that organization. The second was for a transfer of the Bureau of Prohibition from the Treasury Department to the Department of Justice.

The first project appeared openly in Mr. Hoover's campaign statements. The second is known in Washington to be included among his personal beliefs and desires.

#### How Should They Go?

LET us then begin our researches into government reorganization on business principles by delving into the definite and immediate topic of how to tear apart and put together the picture-puzzle pieces marked Treasury Department, Department of Justice, and Prohibition Enforcement.

Let us discourage ourselves at the very start of our problem by noting that "business principles" alone will not provide us with a reliable guide. Business does not

break into people's premises with warrants and axes. Business does not hale people before grand juries. Business does not fling people into jail. Search and seizure, indictment, imprisonment, and the like are functions solely of government and not at all of business. As soon, therefore, as we start exploring the wilderness of law enforcement, we in some degree leave behind us the guidance of business principles and sound, solid business sense.

The fastnesses we shall be traversing will be those not of the exchange of commodities but of forcible control of people's properties and people's lives.

To explore these successfully we shall need correct *business* principles *plus* correct *governmental* principles.

Let us further discourage ourselves, temporarily, by noting that our minds are not the first that have been addressed to the task of reorganizing the Government. The Federal Government started being "reorganized" at almost the moment it was first "organized." Reorganization is not a contemporary

thought. It is an ancient, continuous, historical process. Let us glance, for instance, at a certain highly important collateral agency of prohibition enforcement. Let us glance at the Coast Guard.

The Coast Guard is under the Treasury Department. It has always been under the Treasury Department. The Secretary of the Treasury is our chief federal fiscal officer.

Some reorganizers thereupon inquire, "Why should a custodian of moneybags on land operate ships at sea?"

#### Why the Treasury Runs Ships

OUR ancestors, in 1790, when the Coast Guard was established, were ready with the answer. They said:

"These ships are for the purpose of intercepting and circumventing smugglers. They are for the purpose of compelling smugglers to pay tariff duties. The Secretary of the Treasury, being our chief federal fiscal officer, is charged with the collection of tariff duties. Therefore these ships should be under the Treasury Department."



WE ARE all, as it were, sitting on the floor in front of an enormous picture-puzzle called the Federal Government. The pieces have been put together in certain ways, in certain patterns. We do not



And so it was.

In time, however, the Coast Guard, navigating our territorial waters and the high seas, acquired additional duties. It began, for instance, to find and to destroy derelicts. It began to board and to examine vessels for the enforcement not only of our customs laws but of our navigation laws.

Moreover, in 1848, Congress began to legislate regarding the rescuing of people from distressed ships by means of boats and hawsers from shore.

In 1871 it definitely regularized all such activities into a coherent life-saving system.

To what branch of the Government should Congress allocate this new system?

The Coast Guard was at that time still called "The Revenue Cutter Service." It lived, of course, at sea. Our life-saving heroes, contrariwise, dashed out to sea only in moments of emergency and lived customarily on land. Therefore our revenue-cutter seamen and our life-saving landsmen had been kept by Congress in separate organizations.

The reorganizers of 1871, however, observed that the sea and the land, though different, were conjoined. They conveyed their important observations to Congress, and Congress, in 1871, decreed that the Revenue Cutter Service and the new life-saving system should be operated in conjunction.

Just seven years later, however, in 1878, a new race of reorganizers gained the upper hand.

These men admitted the conjunction of sea and shore but they were more deeply impressed by the difference between going to sea and pulling for shore. They argued with Congress; and Congress thereupon, in 1878, reversed its decision of 1871 and made the new life-saving system a separate and distinct service.

### Similar, Yet Different

THEREAFTER then, we had a Revenue Cutter Service and a Life Saving Service existing independently of each other within the Treasury Department.

This condition continued until the days of President Taft. President Taft

was himself a reorganizer. He held much converse with reorganizers. He collected some of the most scientific and ingenious of them into a commission. The members of this commission traversed the whole Federal Government.

They arrived at length at the Revenue Cutter Service and at the Life Saving Service in the Treasury Department, and they were shocked. They were shocked because they had principles.

One of their principles was that mariners should associate and cooperate. They therefore recommended that the Revenue Cutter Service should be snatched out of the Treasury Department and transferred *in toto* to the Navy Department.

Another of their principles was that all heroes or bureaucrats serving mariners from stations on shore should similarly associate and cooperate. They therefore recommended that the Life Saving Service should be detached wholly from the Treasury Department and should be merged into the Bureau of Lighthouses in the Department of Commerce. The lighthouse keepers and the life savers sent their beams and their boats from shore out to sea for the same general purpose of maritime salvation, and they therefore should be brothers and colleagues.

Congress listened; but it was not convinced. It had reorganizing specialists and geniuses of its own. They held that the Life Saving Service dealt with wrecks on reefs and that the Revenue Cutter Service dealt with wrecks out at sea beyond the reefs. They held that both services dealt with wrecks.

They accordingly concluded not to tear the two services still farther apart but to put them actually closer together.

### Coast Guard Merger

THEY prevailed. Congress in 1915 merged the Revenue Cutter Service and the Life Saving Service into a new and completely unified institution christened the Coast Guard.

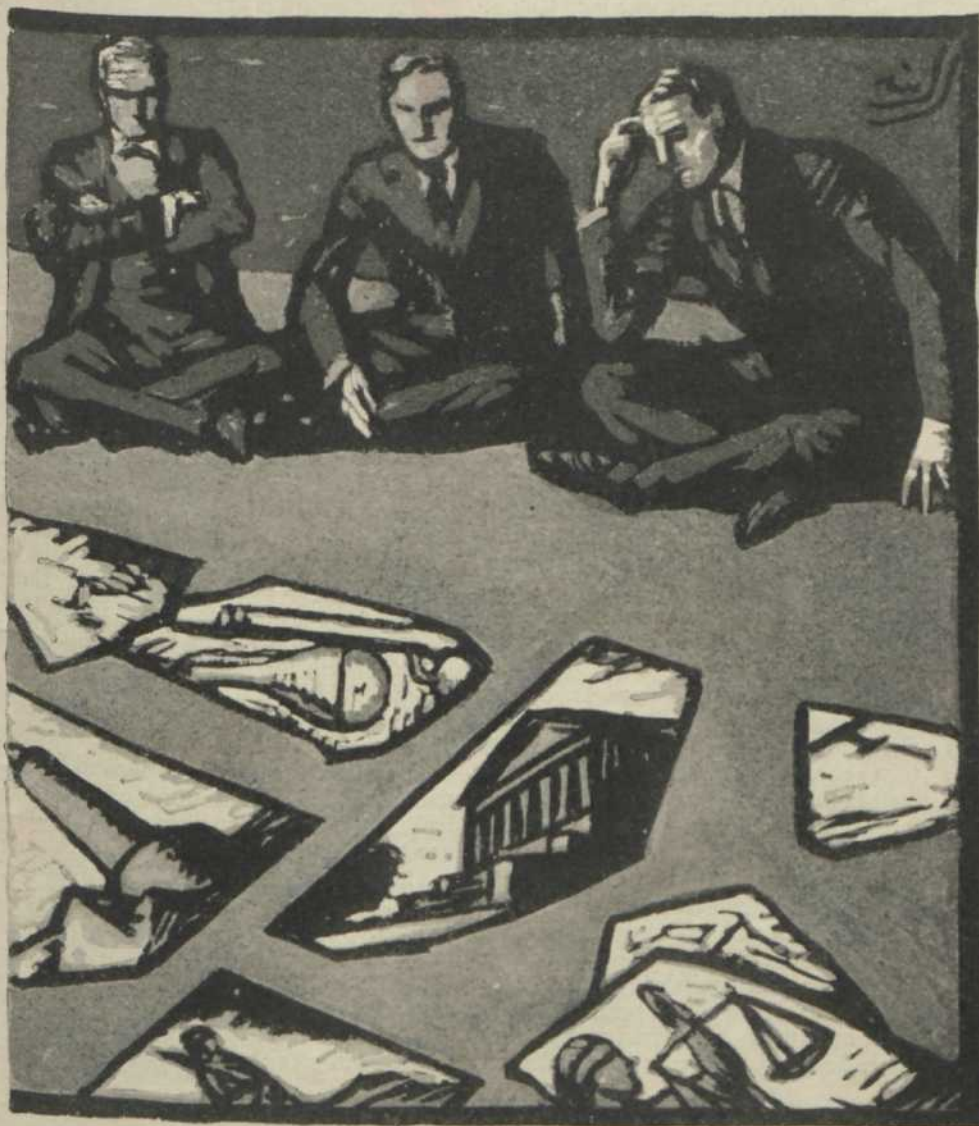
We are to note, accordingly, that the Coast Guard, as we now have it, is not an accident but the product of long thought.

Let us not fall into the humiliating error of imagining that our ancestors, from whom we derive whatever intelligence we have, were all dumb-bells.

They had at any rate a sub-human glimmer of knowing what they were doing when they made the Federal Government what it is.

The need for reorganization is produced not by the imbecility of our ancestors but—continuously—by new national social situations and by the new activities which those situations

(Continued on page 218)



altogether like the pictures which have resulted. As exercises in political science, we are going to tear the pieces apart. Just how would we put the pieces together again to make better pictures?





**C**OMMON sense and intellectual ability are the outstanding factors governing success in every phase of human existence, especially in these present times when conditions are changing so rapidly.

Emerson described the wise merchant as, "One who has the just average of faculties we call common sense." A just balance of faculties would seem to define common sense more accurately, for balance is related particularly to the exercise of judgment, and common sense means to most of us sound judgment formed after weighing the facts in the case.

Common sense appears to be an instinctive or spontaneous attribute of many men but such men possess naturally sane, well-balanced minds.

Intellectual ability is not instinctive or spontaneous. It is an attribute which must be acquired through the unwearied activities of the senses in the acquire-



Through the ages, success has come to him

# It's Easy to Make

By FRED W. SHIBLEY

*Vice President, Bankers Trust Company, New York*

ment of perceptions, by analyzing and appraising the experiences of human beings in past times, and through research formulating original conceptions.

The statement is made and is doubtless true that considerably less than a majority of business enterprises succeed. It is evident therefore that the larger number of people engaged in business fail to attain success largely owing to lack of judgment and to an improper understanding of the principles which govern business. The truth of this statement is attested by a multitude of experiences common to everyday life.

## There's a Reason for Success

**T**WO farmers live side by side on adjoining farms. One succeeds, educates his children and retires with a competency in due time. The other fails, his children are poorly educated. He and they revolve hopelessly on the wheel of life.

Two merchants have stores on opposite corners of the same street. One prospers and the other goes bankrupt. The former pays promptly for whatever he buys and the latter is always in debt.

Two manufacturers making identical products under equally favorable conditions, commence business at the same time. One grows great with the years and the other flounders and fails after exhausting his working capital.

Why?

The successful ones were known by their neighbors to possess sound judgment, to study their affairs intently, to take action only after ascertaining all the facts in the case, in short to be thoughtful, forward-looking, hard-working men.

The unsuccessful ones were known to be undecisive, impulsive, tradition-ridden, careless, speculative and leisure loving men, men who preferred every form of human endeavor to that of cultivating and training their minds.

Then again indolent men, mentally alert, are known to succeed many times where hard-working, uneducated men fail.

Undoubtedly, knowledge is the fundamental principle of success in business, and knowledge can only be acquired by studious application to the solution of the problems of life, spiritual, social, financial and commercial.

Recognizing, therefore, that the ma-



jority of mankind is not composed of thinkers and that the greater part of this majority has never had the advantage of either a classical or a technical education and consequently has not learned to think in compound terms, the subject of business economics must be made very simple. This is not difficult to accomplish for the laws of economics are of humble origin, their mother being necessity and their birthplace the first human habitation.

The word "economics" is derived from the compound Greek word *oikonomos*, built up of *oikos*, meaning house and *nemo* meaning manage.

The moment these humble derivatives are released the mind flashes with a conception. It knows instantly the significance of this word economics which it had seen and heard so many times, but never before thoroughly conceived.

In ancient days the primary business of mankind was the management of the home.

The original householder had to balance domestic requirements with a sufficient supply of food, fuel, clothing, housing and implements. That home was governed best wherein such a balance was most intelligently maintained.

The man of Neanderthal days who was



who perceives and fills the public's needs

# Business Pay!

Decorations by Louis Fancher



thoughtful, forward looking, and hard working succeeded and reared a fine family to look after him in his old age. His lazy, shiftless, ignorant neighbor made a mess of existence because he did not know the rules of life.

The laws of nature are inexorable; the laws of economics, which were originally merely the primary principles of the home, are as exacting in their requirements. Neither can be violated with impunity.

## Economic Laws Are Unchanged

IN later days human beings learned to trade with one another but always the most skillful trader was he who planned most wisely and maintained balance in his affairs.

Throughout time the laws of economics have never changed. In modern times the word economics has been dignified with new applications and given amplified meanings, such as "the science of man's temporal well being" and "the science of the production, preservation and distribution of wealth," but always the essential principles embodied in this beautiful Greek word have remained the same.

The first man who ever made sandals successfully as a matter of course studied

his markets, styled and fashioned his product to meet the requirements of those markets and forecasted his income from probable sales. He planned to produce sandals by styles and sizes, only in sufficient amount to balance with sales. He planned so to manage and control his operations as to do the largest volume of business possible on the smallest amount of invested capital and so to produce the greatest amount of net profits. Doubtless this sandal maker did not realize that he was planning his business scientifically, nevertheless he planned and forecasted or he would not have succeeded.

These are the A B C principles of business economics and from the first sandal maker to the International Shoe Company, no man has ever made an enduring success in the foot-wear business, or any other form of business endeavor, unless he first applied these principles.

It is the degree of the intelligent application of these principles of business economics that determines success.

There is a country store in practically any village in almost any state owned by a merchant who is one of the leading citizens of this undesignated rural community. He has a high school education, reads the daily newspaper, current books and magazines and keeps fairly well posted on trade conditions.

His store is a small department store. In addition to being a merchant he acts as a dealer. He sells dry goods, groceries, boots and shoes, crockery, hardware, food supplies of many kinds, fishing tackle—in fact everything one can think of readily, as the merchandise of a general store and, in addition, agricultural machinery, motor cars, their accessories and supplies.

He carries a stock amounting to \$25,000. His annual sales are in the neighborhood of \$50,000. His net profits before charging up a salary for his own services are \$5,000 annually. He never becomes very prosperous and while he lives he will probably never fail. That store of his was run by his grandfather and his father before him. They never made more than a good living but they were careful men and held things together.

The laws of economics were as unknown to them as to the present owner. He has heard of the laws of economics



of course, as his fathers heard of them, but they never vitalized these laws nor has he. He has never set these laws upon their feet, making standards of them by which to measure thought and action.

## The Bitter Taste of Failure

SIT down with this village merchant in his comfortable home, visit with him and his family and presently it will become apparent that he realizes he is not making a success of his life and that his wife and children are keenly aware of this fact.

All are tied to their little village by what they call unfortunate circumstances, in particular the misfortune of having no surplus funds for the luxuries of life, such as travel, higher educational facilities and such advantages which they know are enjoyed by the successful ones in this world.

The merchant will tell you he works hard and does his best to increase his





business, but somehow or other he never seems to get anywhere.

Go with him to his store, inspect it and the warehouses carefully. Perhaps you will find a log chain lying in one corner of the main warehouse. Pick up a portion of this chain and ask him when it was purchased. "I don't know," he will reply, "probably some time ago. The timber is pretty well cut off in this part of the country now and log chains are not in demand."

### Log Chain or Scrap Iron?

**I**NSIST on ascertaining how long that log chain has been in stock, forcing him finally to acknowledge the fact that he has inventoried it at cost for four successive years.

Then say to him quietly, "Take a friend's advice and pull that log chain out of its corner, lug it into the main store and coil it up on the floor where you will stumble over it every day and dream of it at night and your customers will stumble over it also and come to join in cursing it and you until you finally make up your mind that it is not a log chain at all, that it ceased to be a log chain at least three years ago and has been nothing since but scrap iron."

This will set him thinking. Take him with you now, saying to him earnestly, "Let us go hunting more log chains throughout the shop. There are some tin pails up there on the high shelf near the ceiling—why are they there? How long have they been in stock? Let us rout all this log chain stuff—place it in the most prominent position in the shop, then sell it for whatever it will bring, or burn it up or junk it—in any event get rid of it, for such obsolete inventory exists in violation of the laws of economics."

Then tell him kindly to classify his inventory by kinds and ascertain how frequently each kind turns over and by so doing gain the knowledge of what and how much to purchase, so as to be able to supply consumer requirements at a profit, in short to carry nothing in stock which will not sell readily.

He will see the common sense of doing this, but he will excuse his past mistakes by telling you that it is very difficult to keep stock at a minimum supply and in particular to ascertain in advance what goods will sell best.

Tell him to go and find out!

"How shall I find out?" he will retort in exasperation. Say to him:

"Your store is the center of a farming district, is it not? In other words, it is supposed to fill the requirement of certain consumer needs. To determine the nature of these needs accurately you must go out into the market where they exist or can be induced to exist and talk to the human beings you find there. You sit around the store and your home a great deal, especially in the winter season. Stop doing this. Take your car and spend at least a month each year visiting the potential buyers in your district.

"Find out which of the farmers will need feed for their stock in the Spring

so that you can purchase by the car load and not by the ton. They will tell you willingly whether they contemplate purchasing additional machinery or an automobile during the coming season. Perhaps you can aid them to purchase much needed machinery or a new motor car by showing them how to finance the purchase over a period of time. You will learn how many hogs and cattle will be for sale and what the outlook will be for eggs next Summer when the village is full of boarders. The women folk will discuss style with you and tell you the kind of wearing apparel they prefer."

This is market study, an essential principle of the law of economics.

It is difficult to imagine the village merchant listening in patience to such talk as this, educated though he is. But if it can be made to penetrate his consciousness that the business enterprises of this country, large or small, which are most successful, constantly study their markets as intimately as he is requested to do, and through the knowledge so gained regulate and control their affairs, he may conclude that the suggestion is worthy of serious consideration.

There is no question that if this general storekeeper would apply the same primary economic principles to his business that General Motors Corporation applies to its great enterprise, he could be in a degree as successful.

He will tell you that the mail-order house is driving him out of business. Nonsense! He never made an effort to compete with the mail-order house.

It is simple to succeed in business if one exercises common sense and intelligently obeys the laws of economics. Let this be repeated again and again. There is no other way leading to net profits.



The first successful fashioner of sandals studied his markets

The requirements of these laws, to meet modern conditions, are:

1. That a fair profit must be earned upon the capital invested.
2. That the selling price of the product shall be such as to permit of a fair profit on the capital invested and at the same time be satisfactory to the buyer.
3. That the efficiency of management and the tools of management shall be such as to insure a production cost which will permit the sale of the product at the price

set and at the same time insure the profit demanded to satisfy invested capital.

The play of human forces in and about these three fundamental economic requirements constitutes the great game which is called business.

It seems evident that even an untrained mind can conceive that there is no possibility of success in this game unless the player is just a bit more skillful than his competitor.

The great mass of business men throughout this country who are producing less from their several enterprises than a fair return on the capital invested, whether farmers, coal operators, textile manufacturers, merchants or traders in any form, can entertain the hope of bettering their present condition if they shall earnestly strive to do so.

Their success or their failure is in their own hands. It is recognized that they have much to learn, but that which is to be learned is simple and easily understood if the will exists to endeavor to understand.

### The Root of Business Evils

**M**ENTAL laziness is the root of most business evils.

Memory will take care of what has happened in the past, but new thoughts must be generated if what shall probably happen in the future is to be forecasted with any degree of accuracy.

Any intelligent person who looks into the future, observing the tendencies of the economic trends—those fateful fingers which point to attainable goals of profit or to destinations where ruin awaits—sees American business of all kinds grouping like scared sheep for mutual protection against the common enemy, Competition, grown cruel and bitter in recent years.

He sees wise business men fortifying their enterprises against unreasonable and unfair competition by devising new dexterities, thus outgeneraling the enemy.

He observes a new craftsmanship in business building to offset unlimited producing capacity of farm, of mine and of factory, evidenced by increasing the capacity of consumers through low prices and desirable merchandise so that they shall grow strong and multiply throughout the earth.

And he is aware that all this is in the way of civilization, of economic evolution, of the advancement of the principles of brotherhood among mankind.

Today is the day of a Renaissance in civilization which is being accomplished by spreading the gospel of science in industry; by teaching first in a primary way so that the most ignorant shall understand and later in a more concrete and refined way the simple principles underlying the laws of social and business economics.

Cooperation among men—men thinking and working together—is the first requisite. Then will come coordination of thought and effort and with it the success which, if fairly attained, means human happiness.





PACIFIC &amp; ATLANTIC PHOTO

# American Individualism

By HERBERT HOOVER

*President-Elect of the United States*

## PART THREE

IT is not the primary purpose of this essay to discuss our political organization. Democracy is merely the mechanism which individualism invented as a device that would carry on the necessary political work of its social organization. Democracy arises out of individualism and prospers through it alone.

Without question, there has existed since the war, almost all over the world, unprecedented disquietude at the functioning of government itself. It has been in part the dreamy social ferment of war emotion. It has been in part the aftermath of a period when the government was everything and the individual nothing, from which arose two schools of thought: one that all human ills can be

cured by governmental regulation, and the other that all regulation is a sin.

During the war, the mobilization of every effort, the destruction of the normal demand and the normal avenues of distribution, required a vast excursion over the deadline of individualism in order that we might secure immediate results. Its continuation would have destroyed the initiative of our people and undermined all real progress. We are slowly getting back, but many still aspire to these supposed short cuts to the millennium.

Much of our discontent has taken the form of resentment against the inequalities in the distribution of the sacrifices of war. Both silently and vocally there has been complaint that while some died, others ran no risk, and yet others profited. For these complaints there is adequate justification. The facts are patent.

However, no conceivable human intelligence would be able to manage the conduct of war so as to see that all sacrifices and burdens should be distributed equitably.

War is destruction, and we should blame war for its injustices, not a social system whose object is construction. The submergence of the individual, however, in the struggle of the race could be but temporary—its continuance through the crushing of individual action and its inequities would, if for no other reason, destroy the foundation of our civilization.

Looked at as the umpire in our social system, our Government has maintained an equality before the law and a development of legal justice and an authority in restraint of evil instincts that support this social system and its ideals so far as the imperfections of developing



human institutions permit. It has gone the greatest distance of any government toward maintaining an equality of franchise; an equality of entrance to public office, and government by the majority. It has succeeded far beyond all others in those safeguards of equality of opportunity through education, public information, and the open channels of free speech and free press.

It is, however, much easier to chart the course of progress to government in dealing with the abstract problems of order, political liberty, and stimulation to intellectual and moral advancement than it is to chart its relations to the economic seas. These seas are new and only partly discovered or explored.

Our Government's greatest troubles and failures are in the economic field. Forty years ago the contact of the individual with the Government had its largest expression in the sheriff or policeman, and in debates over political equality. In those happy days the Government offered but small interference with the economic life of the citizen.

But with the vast development of industry and the train of regulating functions of the national and municipal government that followed from it; with the vast increase in taxation due to the war—the Government has become through its relations to economic life the most potent force for maintenance or destruction of our American individualism.

The entrance of the Government began strongly over three decades ago, when our industrial organization began to move powerfully in the direction of consolidation of enterprise. We found in the course of this development that equality of opportunity and its corollary, individual initiative, was being throttled by the concentration of control of industry and service, and thus an economic domination of groups builded over the nation.

At this time, particularly, we were threatened with a form of autocracy of economic power. Our mass of regulation of public utilities and our legislation against restraint of trade is the monument to our intent to preserve an equality of opportunity. This regulation is itself proof that we have gone a long way toward the abandonment of the "capitalism" of Adam Smith.

### A Principle Strong Within Us

**D**AY by day we learn more as to the practical application of restrictions against economic and political domination. We sometimes lag behind in the correction of those forces that would override liberty, justice, and equality of opportunity, but the principle is so strong within us that domination of the few will not be tolerated.

These restraints must keep pace with the growing complexity of our economic organization, but they need tuning to

our social system if they would not take us into great dangers. As we build up our powers of production through the advancing application of science we create new forces with which men may dominate—railway, power, oil, and what not. They may produce temporary blockades upon equality of opportunity.

To curb the forces in business which would destroy equality of opportunity and yet to maintain the initiative and creative faculties of our people are the twin objects we must attain. To preserve the former we must regulate that type of activity that would dominate. To preserve the latter, the Government must keep out of production and distribution of commodities and services. This is the deadline between our system and socialism.

Regulation to prevent domination and unfair practices, yet preserving rightful initiative, are in keeping with our social foundations. Nationalization of industry or business is their negation.

When we come to the practical problems of government in relation to these economic questions the test lies in two directions: Does this act safeguard an equality of opportunity? Does it main-

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**THIS IS the third and concluding installment of Herbert Hoover's "American Individualism," which was first published, in book form, by Doubleday, Doran & Company, some six years ago. When Hoover became a Presidential possibility, NATION'S BUSINESS bought serial rights to "American Individualism," that our readers might better understand his attitude toward government and business**

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tain the initiative of our people? For in the first must lie the deadline against domination, and in the second the deadline in preservation of individualism against socialism.

Excluding the temporary measures of the war, the period of regulation has now been long enough with us to begin to take stock of its effect upon our social system. It has been highly beneficial, but it also developed weaknesses in the throttling of proper initiative that require some revision. We have already granted relief to labor organizations and to agriculture from some forms of regulation. There is, however, a large field of cooperative possibilities far outside agriculture that are needlessly hampered.

The most important of considerations in any attempt to pass judgment upon social systems is whether we maintain within them permanent and continuous motivation toward progress. These

forces must be of two orders, one spiritual and the other economic.

We may discover the situation in our own social system either by an analysis of the forces that are today in motion or by noting the strides of progress over the century or over the last ten years. By a consideration of the forces that move us we can see whether our system shows signs of decay, whether its virility is maintained; and by the touchstone of time we can find out whether these forces have been powerful enough to overcome the malign influences that would lessen the well-being of our system.

### Social and Economic Progress

**I**F we should survey the fundamentals of our civilization from the point of view of its progress by the test of time, we can find much for satisfaction and assurance. It is unnecessary to recount the values of economic individualism in stimulation to invention; large constructive vision; intensity in production with decreased physical effort; our increased standards of living and comfort. It is of course easy to enumerate our great economic progress, but the progress of the social forces that will sustain economic progress is infinitely more important—for upon them depends the real future of our people.

Education in its many phases has made much advance. The actual equipment, the character of instruction, the numbers reached, period of instruction—show improvement with every decade. Public opinion has become of steadily increasing potency and reliability in its reaction. The great strides in development of processes and equipment for production and distribution are being followed by increasing devotion to the human factors in their execution.

Moral standards of business and commerce are improving; vicious city governments are less

in number; invisible government has greatly diminished; public conscience is penetrating deeper and deeper; the rooting up of wrong grows more vigorous; the agencies for their exposure and remedy grow more numerous, and above all is the growing sense of service.

Many people confuse the exposure of wrongs which were below the surface with degeneration; their very exposure is progress. Some accredit the exposures of failure in our Government and business as evidence of standards of lower order than in some other nations. A considerable experience leads me to the conviction that while we do wash our dirty linen in public most others never wash it.

It is easy to arraign any existing institution. Men can rightly be critical because things have happened that never ought to happen. That our social sys-

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# Can the Lone Retailer Survive?

By C. D. GARRETSON

*President, Electric Hose and Rubber Company*

*As told to JAMES TRUE*

Cartoons by Rollin Kirby

**T**HERE is no denying that our manufacturing industries would languish if any appreciable number of manufacturers were compelled to distribute entirely through chain and mail-order systems.

Even the largest consolidations of producers require the open channel of independent distribution for their healthy operation. It is therefore necessary for every manufacturer who is worthy to remain in business to join intelligent wholesalers in cooperating with independent retail dealers to aid them in the utilization of principles and methods necessary to meet the new competition.

Manufacturers and wholesalers can accomplish little or nothing by cleaning house and adopting those necessary methods and practices which I attempted to outline in two previous articles in *NATION'S BUSINESS*, if the average independent retailer continues to conduct his business in the same old way.

Retailers in several important lines have felt the first shock of chain and mail-order competition, and the casualties among them have been heavy. Many of those who remain in business are still in grave danger of annihilation, and this danger is shared by many manufacturers and wholesalers.

## Their Number Is Growing

**W**HAT independent dealers can accomplish under present conditions is proved by retailers here and there who have adopted new methods and who are building up their businesses in the face of intense mass competition. While these successful retailers constitute a small minority as yet, their number is growing. It matters little by what means of organization or method a larger number of independent dealers is induced to adopt suc-

cessful practices; it is essential that every interested factor of industry cooperate in assisting intelligent independent retailers to establish their businesses on more solid foundations.

Although the public is vitally interested in the survival of the independent retailer, it is impossible to secure public favor by appeals to sentiment and prejudice. The chain stores and mail-order branches have developed because they have taken advantage of the changed buying habits brought about by the war and other economic opportunities. To meet this competition, the independent retailer must conform to the new ways of doing business.

When we examine present retail distribution in many lines, we find a woeful lack of understanding of the simple economic laws involved. In our own line, the average retailer, like many wholesalers and not a few manufacturers, is more interested in obtaining a little extra discount than he is in finding goods that are readily salable. He has not even learned that a fifty-cent piece that is actively at work is vastly more profitable to him than a dollar tied up in slow-moving stock.

He spends far too much of his time in complicating his buying, and too little of his time in selling. He does not realize that his primary problem is one of selling, not of buying. And when he places his

goods on sale, we find that he fails to apply the principle of fair and economic pricing.

## They Seek a Magic Means

**T**HESE statements refer to many retail merchants in all lines of business. A great many retailers appear to be searching for some magic means whereby they can undersell their competitors and still make a profit. In this they have been thoroughly educated by the selling practices of wholesalers and manufacturers; but it is at the retail end of distribution that the practices involved are most demoralizing. We have had an excellent illustration of this tendency right in my home town of Wilmington, Del. It is a tendency that has grown during the last few years throughout the country.

Some months ago, I was astonished to



The mail-order store sold many of the bargain seekers a hose much higher in price



learn that a number of our best retail stores were giving a ten per cent extra discount to the employees of one of our large industrial organizations. I was so concerned that I made a brief talk on the subject at a meeting of the local chamber of commerce, and when I sat down one of the men present told me that it seemed strange to him to hear me condemn a practice that my own company had adopted.

### A Menace to Our System

WHEN I returned to my office, I called in our purchasing agent and was amazed to learn that for a year or more he had been buying, at special discounts ranging upwards from ten per cent, almost every conceivable kind of merchandise for our employees. Furthermore, we were carrying many of the accounts on our books, and allowing our employees to pay for the goods on the deferred payment plan.

Now I did not object so much to our own expense in carrying on this service, but I saw in the practice grave danger to our system of retailing. I ordered the practice stopped immediately. I also began a campaign to eliminate the practice in other organizations in our city. Investigation showed that a considerable volume of goods was being sold by local stores in this way. I also found that a number of Wilmington people, who were not getting the special concessions were going to Philadelphia and Baltimore to do much of their shopping, because they thought that they were being treated unfairly by our own merchants.

The most remarkable reaction from the campaign came from the retailers themselves. One merchant told me with some indignation that he would continue to give special discounts to my employees and to those of other companies which were trying to discourage the practice. When I asked him how he could afford to give a special discount of ten per cent to any group, he replied that he had no credit loss on the business and that it attracted sufficient extra volume to warrant the concession.

Then I asked him if he made as much as ten per cent net on the goods he sold, pointing out that any discount of the kind must come out of net profit. A bewildered expression crossed his face; this was a feature he had not considered. Further discussion revealed that he had also failed to realize that if he did not grant the concession he would still get a large part of the "extra" volume at his regular prices. Nor did he stop to think that giving the concession to one group offended a much larger group, and that the special discount was not really an attraction to desirable business for the simple reason that his competitors were offering the same concession.

The archaic practice of attempting to attract trade by methods of this kind is the same in principle as the selling methods that prevailed before the one-price system became general. The one-price system is necessary, for it is obvious that it would be impossible for our retail stores

to have even half their present volumes of sales if every sale were on the old plan of haggling over price. No respectable dealer would go back to the old system if he could, but it appears that some retailers still try to obtain something of the same effect by a little different means. All of which proves that the average retailer must become more familiar with one of the basic principles of his business in pricing and selling his merchandise, and that he must eliminate all practices which do not conform to good principle if he is to survive.

But perhaps I had better stick to the line I know most about, for I am convinced that all the faults and mistakes of the average hardware dealer are matched by retailers in practically every other line. Although the hardware man spends a great deal of time in trying to beat offered prices, experience shows that he

on reels, and cut it up themselves. They believe that this costs them nothing, because they have to employ the man who does the work anyway. They pay eight or ten cents a set for the couplings, and think they are saving money. They forget the cost of the labor and the overhead expense. The store job is not as good, as slightly or as salable as the factory job. The dealers are sacrificing salability and long-run profits for a trivial, supposed saving. The practice is typical of many others that must be eliminated before independent retailing can be strengthened to overcome mass competition.

Probably the greatest advantage of the mail-order branches and the chain stores lies in the fact that the local managers, who are the local retailers' competitors, devote practically all of their time to selling. The chain-store goods are marked



does not do a good job of buying. As an illustration, we always suggest that the retailer buy garden hose in fifty-foot lengths, coupled and wrapped, all ready to deliver to the customer. The factory charge for the cutting, coupling and wrapping is only 12½ cents per length. The unit is economical and convenient to ship, to store, and to deliver. It is unquestionably the best way to stock and sell garden hose.

Comparatively few retail dealers, however, have been convinced of the economic value of this service. The majority prefers to save the factory's modest charge. Most dealers buy the hose in long lengths

up scientifically, and the business is obtained largely because the public has been trained to believe in "loss leaders."

### Competition Can Be Met!

BUT the intelligent independent dealer can combat this phase of the competition. If he will reform his business practices he can offer similar attractive prices and he can furnish identical inducements in the way of clean, inviting stores and attractive displays and advertising.

This past season, one of the mail-order retail stores offered 50 feet of single braid garden hose, coupled and with nozzle, for \$3.98. Any retailer can offer similar



goods at the same price, as a special leader; but most independent dealers say that they can't do business on so close a margin. However, if they will cut down unnecessary expenses and charge for extra service when they give it, they can sell at the margin as well as can the mail-order houses.

The truth is that the "loss leader" mentioned was a lure. When people came in to purchase the "bargain" the mail-order store sold a large percentage of them 50 feet of two-braid hose, with red cover and couplings, for \$6. At this price, the mail-order store made a profit that should satisfy any retailer.

Now contrast this with the merchandising of a typical independent hardware retailer, and you will realize why the mail-order and chain stores are obtaining such a large volume of business. This dealer bought a high-grade garden hose at 16 cents

would be better. And you will find a great deal of stock that was bought solely because of its cheapness or because a special concession was offered—and then forgotten because it did not sell readily.

You will find pretty much the same condition in stores of all kinds, and one of the first policies the surviving retailer must adopt is to buy salable merchandise only, and as few items as his trade will allow. The money lost in duplicating items is enormous.

### The Mark-up Mystery

THE proper mark-up also appears to be something of a mystery to many retailers. Their costs are unknown and their profits cannot be determined until inventories are taken. Contrast this condition with the fact that the chain and mail-order concerns keep accurate weekly records, and some of them daily inventories. The

up, study his selling and improve it constantly, and I am sure that he will increase both his business and his profits, provided he advertises sensibly.

Intelligent retailers everywhere are waking up to these facts. Others are going out of business. The trend is plain. Every year, for some years to come, we are going to have fewer independent retailers.

It follows naturally that those who survive must be much better merchants.

Within a few years, unless there is a more general awakening than is indicated, the mass of the country's cheap foods, hardware, tires and many other commodities will be sold by chain and mail-order retail stores. The better class of business will be handled largely by independent retailers who know their business. I think that this is so clearly in view that we may accept it as a prospect. Therefore, it is up to real manufacturers and wholesalers to make every effort to assist in building up the business of those retailers who are intelligent enough to remain in business for themselves.

From time to time we shall see changes and improvements in retail methods. For instance, I have never thought it quite fair for a retailer to charge the same price on cash and carry purchases that he does for goods which he charges and delivers. In many lines, I believe, we shall have dealers offering a discount to the cash and carry customer, and this may assist the independent in meeting chain competition. At any rate we shall have changes and improvements, and the surviving independent dealer will be prompt to adopt and feature them.

### Educating the Retailer

THE truth is that we must have a revolutionary, progressive development throughout the entire independent field of distribution, and it follows that the manufacturer and wholesaler must have even more to do with it than the retailer. Recently, I learned that one wholesale grocery house, by a systematic campaign of educational merchandising, has increased the business of about a hundred of its customers more than 40 per cent within the past year. Another and a much larger organization in the food field reports an increase of approximately 60 per cent within the same time among nearly 10,000 retailers.

This clearly means that the selling effort of manufacturers and wholesalers should be concentrated, not for the acquirement of new business and the encouragement of new retail enterprises, but in the development of established and worthy retailers. If it is possible for a manufacturer or a wholesaler so to demonstrate better practices and methods as to increase the business of a large number of retailers 40 or 60 per cent in a year, the proposition offers enormous probabilities in the solving of our distribution problems.

And any effort that we may make in the educational field will compel us to

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The average retailer has yet to learn that a fifty-cent piece actively at work is vastly more profitable to him than a dollar slumbering in his stockrooms



per foot, and sold it at 25 cents a foot. He also bought a grade of hose at nine cents, and attempted to sell it at 23 cents a foot. Obviously, this kind of selling is "pie" for mail-order and chain competition, and the contrast indicates both why and how the independent dealer must change his methods in order to meet the new conditions of retailing.

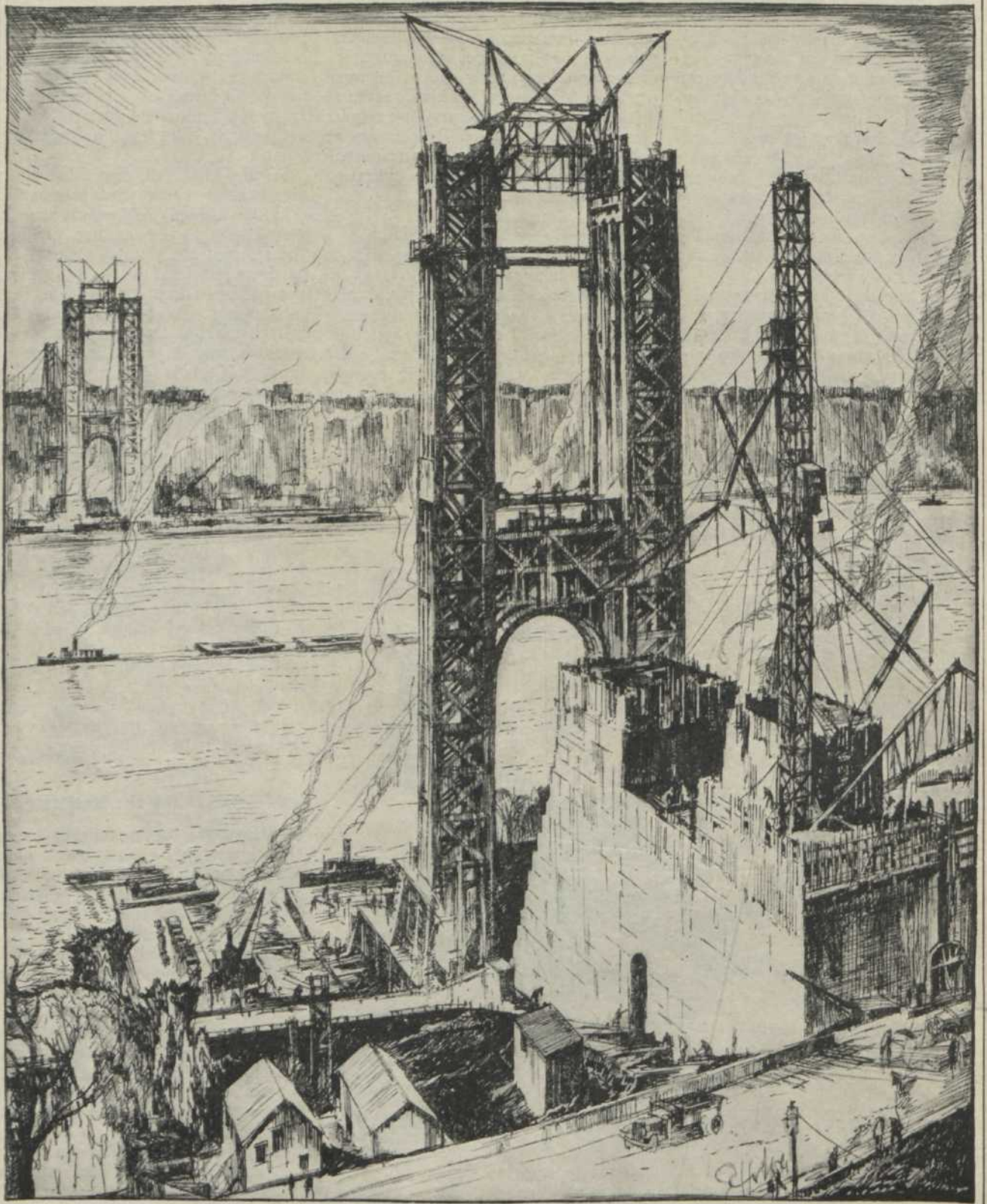
Walk into the average hardware store, and the jumble and variety of the stock are an invariable indication of price buying. You will find three or four different brands of an item, when one would be sufficient. You will find other items of many sizes, when comparatively few

mass merchandisers know where they stand at all times.

They scientifically determine the salability of their goods, and they scientifically manage their stores. The independent dealer cannot successfully compete with the mass merchandiser unless he adopts those scientific methods of management which the chain and mail-order houses find indispensable.

Let the average intelligent hardware dealer, or any other intelligent retailer, simplify his buying, confine his purchases to items which have proved their salability, clean and beautify his store and windows, price his goods on a fair mark-





### A Span in the Spinning—By Earl Horter

ANOTHER WEB of steel will shadow the waters of the Hudson when these two towers are welded into the new Hudson River Bridge, from Fort Washington Point (178th Street), New York City, to Fort Lee, N. J. Four cables, each a yard in diameter, will link the 635-foot bilblis, and will support a floor planned to accommodate eight lanes for traffic, four rapid transit lines and two side-

walks. The main span will be 3,500 feet long and at its center will rise 213 feet above the river. The length of the bridge will be 7,800 feet. Construction work began in May, 1927. The bridge will be opened for vehicular traffic in 1932 at an estimated cost of \$60,000,000. It is being built by The Port of New York Authority, with O. H. Ammann as chief engineer





EWING-GALLOWAY, N. Y.

“SINCE 1920 millions of workers have been displaced from the primary productive industries—agriculture, mining, and manufacturing. Thousands of others have been dropped from the pay rolls of railroads. What has become of these men?”

# Labor Explores New Fields

By EDWARD S. COWDRICK

*Author of "Industrial History of the United States" and "Manpower in Industry"*

“THE butcher, the baker, the candlestick maker . . .” went the old rhyme, and in a sense it typified the era in which it was written. For in that day—and even down to very recent years—the mass of labor was largely engaged in productive work such as the old rhyme lists and in agriculture and a hundred and one other similarly productive pursuits.

But today look about you. You see elevators operated by able-bodied white men who look eminently qualified to run a drill press or to swing a pick, taxicabs piloted by similarly husky individuals, shoe-shining stands conducted by men physically competent to work in steel mills.

And it is by no means inconceivable that all of these men not so long ago were engaged in productive industry. They have shifted occupations, as have many hundreds of thousands of other men who are now working in gasoline filling stations, in garages, in radio shops, in the furnace rooms of apartment and office buildings, in restaurants and hotel dining rooms, in night clubs, in beauty parlors, in physical culture establishments, in public bath houses, and in dancing academies.

This transfer of labor from basic productive industries to new callings, most of them connected with the comforts and

luxuries incidental to the high living standards resulting from an unexampled prosperity, is one of the most significant of all the changes that are crowding upon one another in this most marvelous and most perplexing of economic eras. Not so long ago, one test of the efficiency of an economic system was the proportion of people who were kept busy at productive work. Our present system is being tested largely on the basis of its ability to find nonproductive jobs for workers no longer needed on farms, in mines, or in factories.

## The Jobs Are Being Found

AND on a vast scale these jobs are being found. Transfer of workers is going on swiftly. The magnitude of the changes involved gives the movement an epoch-making significance. Probably none of us is able fully to grasp all that is happening. It is too big, and we are so close to the picture that its outlines are indistinct. Some have seen only one part of the canvas, and have been moved to voice doleful prophecies of misery resulting from displacement of human labor.

Others have seen another part, and for them the future holds nothing but indefinite growth of wealth and well-being, with a boundless prosperity undisturbed save by the limited parking space for wage earners' airplanes.

Even if we were able to form an accurate picture of the scene at any particular time, it would furnish little enlightenment unless along with it we had a background of past events and developments. For in this matter it is trends, rather than immediate situations, that are important. We need to know not only where we are, but how we got here and where we seem to be going. Let us then try to trace some of the steps by which our American economic organization has reached a stage at which hundreds of thousands of workers every year are being shifted, willingly or otherwise, from productive industry to other occupations.

In the early decades of our national history, America was a land with boundless natural resources, with little capital, and with a limited supply of labor. As the continent became settled the labor supply increased both by births and by immigration. The natural resources were utilized and partially converted into capital, which thereby increased far more rapidly than did labor. This change in the supply (and at the same time in the competitive strength) of capital and labor tended to raise wages. Increasing productivity of industry aided the tendency. High wages in their turn encouraged the increased use of machinery—which is usually introduced, not because somebody



wants to watch the wheels go round, but because it promises to lower the costs of production. The same high wages, by increasing the purchasing power of the workers, gradually brought about a condition previously unheard of, in which the masses of the people were the best customers of industry.

The demands of the war period spurred industry to even greater productivity. The end of the war found mines, farms, and factories with capacities expanded far beyond the needs of pre-war business, and with much of the foreign market temporarily shut off. With high wage scales and with keen competition for the available markets, the remedy obviously lay not in less use of modern plants and machinery, but in more.

### Reduced Labor Demand

**A**BOUT this time a flood of gold was pouring in from Europe, and this and other conditions made credit plentiful. It was easy to raise funds for extensions, for modernization, and for improvements. The result was an unprecedented stepping up of production, accompanied by a reduced demand for human labor. Output per man increased, sometimes in fantastic proportions.

The changes just outlined are strikingly illustrated by the actual course of labor supply and demand in the last six years. In 1923, which was the first year of real recovery after the depression of 1920-22, there was much fear of a labor shortage, especially in view of immigration restrictions. During the Summer of that year some labor shortage actually developed. In 1924 the pace of industry slackened and labor supplies were ample. In 1925 and 1926 industrial activity was higher than in 1923, and immigration was still further restricted, yet there was no shortage of labor. Indeed, toward the end of 1926 a surplus began to develop. This surplus increased, and in the later months of 1927 a slight business recession precipitated a situation which led to excited discussion of unemployment and to grotesquely diverse estimates of the number of men out of work.

An economist of the middle of the nineteenth century, could he have forecast the conditions, would have shaped his comments in terms of pauperism and poor relief. But the situation contained one new element, which the nineteenth century economist scarcely could have foreseen. This element was the purchasing power of the masses of the people, including the highly paid wage earners. Some relief of distress was in-

deed needed, especially in the Winter of 1927-28, but beginning in the Spring of 1928 there was a distinct improvement in the employment situation. This improvement, with some temporary and seasonal interruptions, has continued down to the present.

What has happened? For one thing, business has improved, but the quickened pace of industry scarcely would account for the entire gain in employment. The really significant thing is the constant transfer of labor from basic production to other occupations. This transfer, on any-

thing like its present scale, is distinctly a phenomenon of the post-war period.

Superficially similar changes in the past—for example, the shift from agriculture to manufacturing which got fairly under way between 1860 and 1900—were more gradual, and the transfers were from one kind of productive industry to another. The present movement is partly into new productive industries—witness the growth of motor manufacture—but even more it is taking workers into occupations that involve little or no production; that is, into distribution and into the wide range

of employments generally grouped under the comprehensive term "service." In speaking of productive and nonproductive occupations, there is, of course, no thought of reflecting upon the usefulness of the latter. The distinction is simply between that work which directly produces physical wealth and that work which does not.

Since 1920 millions of workers have been displaced from the primary productive industries—agriculture, mining, and manufacturing. Some hundreds of thousands of others have been dropped from the pay rolls of the railroads. What has become of these men? We do not know. We could find out only through a survey which would be costly and laborious beyond anything of the kind ever undertaken by the Government or by private agencies. But the Federal Bureau of Foreign and Domestic Commerce, a branch of the Department of Commerce at Washington, has made some careful estimates based upon the best information, statistical or otherwise, that is available. These estimates, while admittedly incomplete and in some cases only approximately accurate, are illustrative of the enormous scale upon which American labor is swarming to new hives.

### A Shifting Employment Field

**A**CCORDING to the Bureau of Foreign and Domestic Commerce estimates, the aggregate number of employes in productive industries declined 1,564,000 between 1920 and the most recent year for which estimates are available. Of this decline agriculture accounted for 800,000 men and manufacturing for 917,000. Construction work and the production of electric light and power showed increases in the numbers employed. In the field of transportation and communication, railroad employes showed a decline of 304,000 while the employes of telephone, telegraph, and cable

(Continued on page 191)



EWING GALLOWAY, N. Y.

**THE TEST** of our economic system once was the proportion of people it kept busy at productive work. Our present-day system is being tested largely on the basis of its ability to find nonproductive jobs for men no longer needed in factories





# Why I Am No Longer a Socialist

By JOHN SPARGO

Illustrations by O. Cesare

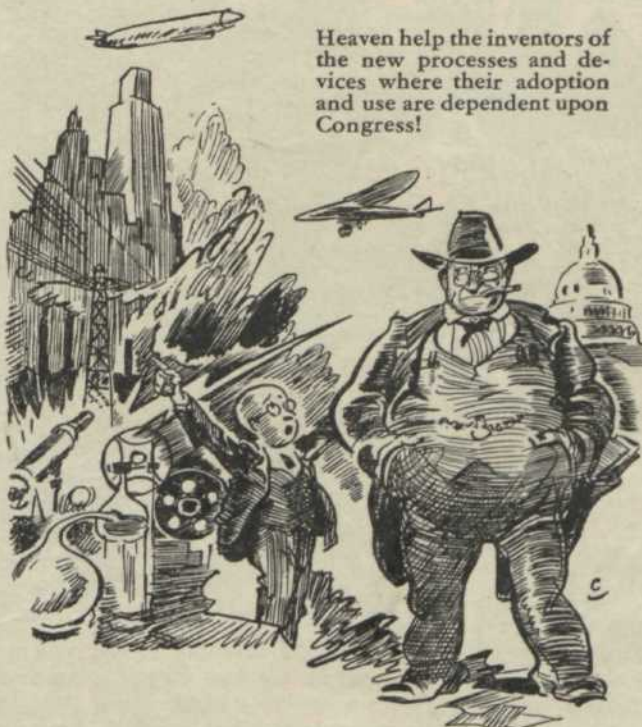
## PART II

**M**ARXIAN Socialism is the product of the thought of the middle of the last century and the analysis of economic and social phenomena then existing. Nothing new has been added to it. Books and pamphlets which were in circulation in my boyhood are still being used in the Socialist propaganda in America 35 years later. Marx's labored analysis of capitalism and the ponderous system of "laws" which he formulated more than half a century ago, and which have been so thoroughly discredited by events as to appear fantastic today, still constitute the intellectual foundation of the movement.

Marx had virtually completed his life work by 1875. That simple statement should be enough to prove that he could not have known anything of the capitalist system as we have known it in America during the present century. He never saw a piece of machinery driven by an electric motor, or an electrically lighted room. He never saw a motor car or used a telephone. Modern mass production was unknown when he laid down his pen, and even when he died, in 1883. Organized industrial chemical research had not yet begun to revolutionize industry, and coal tar was still coal tar and not yet attar of roses or shaving cream.

### Marxism Belongs to Yesterday

**A**S I write these reflections here in this old Vermont village, the roaring of an airplane passing over the house drowns for a moment or two the voice of somebody who is singing in Chicago yet seems to be in my room. Airplane and radio, symbols yesterday of the unattainable things encompassed in man's wild dreams, today commonplaces of life, emphasize anew that Marx and his theories belong to the nineteenth century, between which and the present stretches a vaster expanse of change than was ever comprehended in any ten centuries before.



Heaven help the inventors of the new processes and devices where their adoption and use are dependent upon Congress!

illustration will suffice to show how different the actual development of capitalism has been. The modern public service corporation with its stock owned by tens of thousands of people, many of them wage-earners, producing and selling a primary necessity of life, a monopoly in fact, is essentially socialized.

### The New Safeguards

**S**Ocial safeguards have been devised and placed around its every operation. Social control of the issuance of its corporate stock and its bonds and debentures safeguards the investor, and eliminates from one of the most important departments of our economic life those forms of speculation and manipulation which in the days of Marx were among the greatest instruments of economic oppression.

Similar social safeguards have been erected for the protection of the consumer. The cost of the service is fixed by public service commissions and must not be increased without their specific authorization. Similarly maximum rates of profit are decreed and may not be exceeded. When net earnings exceed the allowed rate of profit prices are compulsorily reduced. By these methods the advantages derivable from technological developments are diffused through the body politic.

Take the electric light and power industry as an example of this new type of capitalism. I select it primarily because it has been the subject of a great deal of criticism, some of it merited, no doubt, but most of it unjustified by the facts. Electric light and power is the cheapest of all the necessities embraced in the family budget, as every candid thinker must admit.

Because an ounce of fact outweighs a ton of theory, let me refer to my own experience. Mine is a very modest home in a typical Vermont village. It is not more elaborate or costly than the homes of many of my neighbors who are small shopkeepers, skilled mechanics, insurance

Turning from the mechanical features of the existing capitalist system to its not less important, though frequently ignored, social features, the changes which have taken place since Marx formulated his theories are equally impressive and influential. Of particular significance and importance is that extensive and ever expanding network of social regulatory devices, both legislative and voluntary in their inception and creation, which have done so much towards the achievement of a generous socialization of advantage and opportunity.

One searches the writings of Marx in vain for even the faintest glimmering of consciousness of this vastly important achievement. He saw the regulatory power of the State expressed in legislation governing labor in mines and factories and safeguarding the public health, but he never so much as dreamed of the extension of that power over the greater part of the economic life of the nation aiming at the equalization of opportunity.

Marx saw the whole economic system as a relentless conflict between exploiter and exploited. He saw the means of life centered in the hands of a small class and used to exploit all the rest of society to the utmost limits of endurance. A single



agents, ministers with small salaries, and so on. We depend upon the service given by the local light and power company for light, for all our cooking, for running the vacuum cleaner, the family washing machine, dish washer, refrigerator and radio. In Winter we depend upon it for the operation of the motorized oil-burning system by which we heat the house, and in Summer for the operation of electric fans when there are no cooling breezes.

When we came here to live there were kerosene lamps—about 15 of them—to fill and trim and keep clean. There was a coal stove in the kitchen, requiring coal to be brought from the cellar two or three times a day, ashes to be taken up and carried out daily, to say nothing of the every morning task of kindling the fire. Now turning a porcelain button is all the labor required.

Formerly the ice man was a daily visitor for two-thirds of the year. Keeping the ice-box drain pipe clean was itself a considerable "chore," as everybody who has lived in the country and used natural ice must know. Our total bill for light and power, covering all the diversified services enumerated above, is about \$15 a month. We used to pay more than that for the one service of taking out the ashes from the furnace.

Here is an example of what elsewhere I have called the socialized individualism of our present system. Retaining the essential form of capitalism, with the incentive and opportunity for individual enrichment through thrift and prudent investment, we have provided a common service which has enormously lightened the labor of the housekeeper, made the home brighter and happier, at a cost incredibly low, without oppressing or exploiting anybody. This socialized individualism, which is the heart of the progressive capitalism of our day, has lightened the burdens of our wives and mothers to an almost incredible extent and both lengthened and gladdened their lives.

#### An Unimaginable Development

SUCH a development of the capitalist system was unimaginable when Marx was engaged in formulating the great synthesis of economic and social theories which bears his name. It is not surprising that so many of his generalizations concerning the course of industrial and social development proved to be far from the reality. Even if he were the intellectual superman his uncritical disciples have believed, he could not have fore-



seen either the amazing triumphs of inventive genius during the past 50 years or the unexpected flexibility of the capitalist system, its capacity for quick adaptation to the requirements of every new invention and discovery enlarging the productive powers of society and compelling extensive social readjustments.

In the light of actual history the forecasts of Marx are grotesque. Sometimes I think that the best way to arrive at a proper understanding of the present industrial system is to examine it against the background of the gloomy prognostications of Marx. It is an amazing fact that there are still to be found among our so called intelligentsia many who believe that the reality corresponds closely to the prophecy.

Marx believed that capitalism was doomed to early destruction by its own inventions. He pictured an inevitable catastrophe arising out of the conflict of the contradictory phenomena of expanding productivity and contracting powers of consumption.

Here is the picture of the irreconcilable conflict as he saw it: On the one hand productivity steadily increasing as a result of new inventions, improved processes and the utmost exertion of the workers under the lash of the fear of hunger and unemployment; on the other hand increasing restriction of the market for goods as a result of the operation of the

iron law of wages forcing the workers' income down to the lowest level of subsistence, the constantly increasing number of unemployed and unemployable workers, and the concentration of wealth in the hands of the few, lessening the number of the available consumers of luxury goods. Out of that conflict must inevitably issue cataclysmic revolution engulfing the whole economic system and the social order based upon it.

#### Marx Proves a False Prophet

THE actual development of capitalism has made this picture seem like the distorted vision of a madman. Instead of being remorselessly driven downward and confined to the bare necessities of a mean subsistence, the workers of every nation in which capitalist industrialism prevails have steadily risen to higher levels of comfort. They have not been doomed to a constantly narrowing circle of the bare necessities of physical existence, but have enjoyed a constantly widening circle of increasing physical comfort and even of luxury.

So far has this proceeded, in fact, that there is not an industrial country in the world where the workers of today do not regard as simple necessities numerous things which the workers of 50 years ago regarded as unattainable luxuries. Not only is that true, but it is also true that, instead of wealth being concentrated into



have successfully erected the necessary social safeguards against antisocial consequences of unregulated individualism while preserving the necessary freedom for individual experiment and effort which has given us a highly socialized individualism.

Viewing the problem of social efficiency

The best way to arrive at a proper understanding of the present industrial system is to examine it against the background of the prognostications of Marx

flexibility requisite for progress. Wherever government ownership and operation of industry has been tried, it has been found too difficult to unite effective responsible control with the freedom of initiative necessary to insure continued efficiency.

It is universally too difficult for those entrusted with the management to get the authority to abandon old processes and old machinery and equipment and to replace them by new ones.

Invariably government ownership has proved less adaptable than private ownership, less capable of embracing new inventions and discoveries and less free to make experiments. Where the sanction

of councils or parliaments must be had before extensive changes can be made, it not infrequently takes years to reach decisions which under private ownership would be reached in as many hours, or even minutes. Such tremendous progress as we have witnessed in the radio industry for example, could not have occurred under government ownership. Heaven help the inventors of the new processes and devices where their adoption and use are dependent upon Congress!

Moreover government ownership and operation of industry cannot be established without creating an oppressive bureaucracy. That is the lesson taught by the universal experience of mankind. Even if it were possible to obtain greater efficiency through the substitution of government enterprise for the voluntary enterprise of individuals, the gain would be too costly because it would involve, inevitably, the end of political freedom. Even

if government ownership and operation could be shown to be superior to capitalist enterprise in the adoption of improved methods, the elimination of friction and waste, and the constant and progressive readjustment of industry to meet new conditions and needs, it would be unwise to submit to the bureaucratizing of our Government in order to obtain those advantages.

Wherever governments have gone into business an alarming and dangerous extension of bureaucracy has resulted. And in its turn bureaucracy has resulted in the destruction of individual liberty and the subjugation of the citizens to the needs and will of the government, instead of the subjugation of the government to the needs and will of the citizens.

The greatest evil of bureaucracy is not economic, as so many writers on the subject have assumed, but it is political and

(Continued on page 168)



fewer hands, there has been a marvelous diffusion of wealth through the body politic and social.

The number of people now enjoying luxuries is vastly greater than it ever was before.

Capitalism has shown itself to be vastly more flexible and adaptable than Marx believed, and instead of being shattered by the expansion of its own productive powers against rigid and unyielding capacity for consumption, it has proved to be capable of utilizing in the social life every gain in its productive capacity.

This flexibility of modern capitalism is an inherent quality, but its development has depended to a large extent upon the maintenance of a political system compatible with it. Our American political system with all its deficiencies and defects, of which we hear so much, has had the great merit of preserving that measure of freedom for individual initiative which has permitted industrialism to develop to a greater degree of efficiency than would have been possible under a more bureaucratic system or a more paternalistic one. Upon the whole, and with a few outstanding exceptions, we

and progress from my present point of view, in the light of the immediate results of the World War, I regard the flexibility of capitalism and of the capitalist system as the most important fact in civilization and its preservation as the most important task of enlightened statesmanship and citizenship.

#### Each for All and All for Each

SO long as, and only so long as, we can maintain freedom to develop new productive powers, together with a capacity for absorbing the product and diffusing it through the social body, we shall be able to march toward the goal of an ordered and free world in which each lives for all and all live for each.

Perhaps the supreme and conclusive argument against Socialism is the fact that its essential economic structure and its necessary corresponding political organization are both incompatible with the



# I Know What's Wrong with Conventions

By SETH DUNHAM

*Graduate of the Indiana School of Free Arm Movement Oratory*

Cartoons by Card

**I**F WOUND stripes were awarded for convention attendance, I would be decorated like a zebra. I have been going to them a long time.

To give you a little more definite idea of my range, I shall state: My uncle was seriously injured at the first convention I attended by being struck in the eye by a flying celluloid cuff cast by the late Senator Daniel Voorhees, of Indiana. The last convention I sat in broke up in a row between the executive committee and the hotel management over parking arrangements for airplanes.

Not only have I attended many conventions, but I have helped plan more than a hundred and spoken at several hundred. They have covered a scope from the Superannuated Acrobats Association to the Whiffletree Decorators of America. The latter was very close to my heart because I formerly was corresponding secretary for the Western Indiana Carriage and Buggy Painters, Ltd.

Therefore I claim to qualify as an expert on the question, "What is wrong with conventions?"

If the gentleman in the rear of the hall who just shouted, "Everything!" in answer to that question will come down in front and give me his name and address he will learn something to his advantage.

However, we cannot hope to cure conventions of all their ailments. Let us rest content with merely suggesting improvements on them in some important particulars.

The outstanding difficulty with most conventions is that they are deadly dull. The reason for this is perfectly obvious. Here it is:

The people who plan conventions usually forget that delegates are just boys and girls away from home on a holiday.

Manufacturers of convention programs are so busy trying to be constructive that

apparently they never stop in front of toy store windows. If they did, they would realize that most people never grow up in this world. They also would realize that what holds the attention of a child also holds that of an adult. Most attention is held by entertainment. Information is a grand thing to have but most people want it administered in sugar coating.

## Entertainment with Apologies

**E**NTERTAINMENT is a thing apart at most conventions. Usually, it is injected with apologies, two hours after the audience has passed out for lack of it. True, there always is an appropriation for music, paper hats and, possibly, roller chairs, but that is not the type of entertainment I mean. I refer to entertainment running through all addresses, comments by the presiding officer, and the entire routine part of the program.

Do not infer that I mean programs should be made more frivolous. There is a vast difference between frivolity and information served in attractive style. One would be foolish to urge that more space be given Swiss bell ringers and musket jugglers but there is no reason

why every address should not be entertaining.

Perhaps the outstanding weakness of most convention programs is that speakers who know little about the subjects in which the delegates are interested, but have big names, are selected.

The first thought that pops into the mind of most men arranging the preliminaries of a convention is to get the President of the United States or a member of the Cabinet to deliver an address. It makes little difference whether the convention is considering the advisability of nickel plating door knobs or battling the chestnut blight, the presence of an outstanding figure in public life is considered quite necessary.

Of course, these men are overwhelmed with invitations to make such addresses and they seldom accept, but asking them to talk is a standard thing to do and usually is preliminary to the drafting of any program.

When they accept, the addresses often are flops so far as interesting the delegates is concerned.

Once in a great while one of these prominent officials is familiar with the subject in which the convention is interested but not often. If they attend at all, they usually discuss some governmental project that has nothing whatever to do with the general subject at hand and contribute very little to the convention except attracting attention to the fact that it is being held. The result of such publicity is nil, or less.

Having disposed of the public-men list as a necessary preliminary, most convention programmers turn to the next strata of prominent individuals, exhaust that and then continue on down the line until finally a program is made up of those who are willing to accept.

Nine times out of ten the speakers then are left to wander about, choosing their own subjects and taking their own time for speaking. Right here is the place



"After much travail he evolves a wondrous composition"



where some force should be used. No man should be put on a convention program without having a definite understanding as to what he is going to talk about and, especially, how long he is going to talk. More conventions are killed through speakers starting from nowhere and arriving no place in from an hour upwards than from any other one cause.

The average speaker can tell much more than he knows, or at least more than will interest most people, in twenty minutes. If he can't there is something wrong with his grasp of the subject. Then, by all means, his manuscript should be turned over to a good old-fashioned swashbuckling newspaper copyreader for blue penciling. No one who understands the ability of newspaper copyreaders to reduce chatter to essentials will doubt that any of them can cut down any speech to twenty minutes or less.

What most speakers do not understand is that if they register one thought in a single address they will do very well, and that almost any thought in the world can be expressed in fifty words.

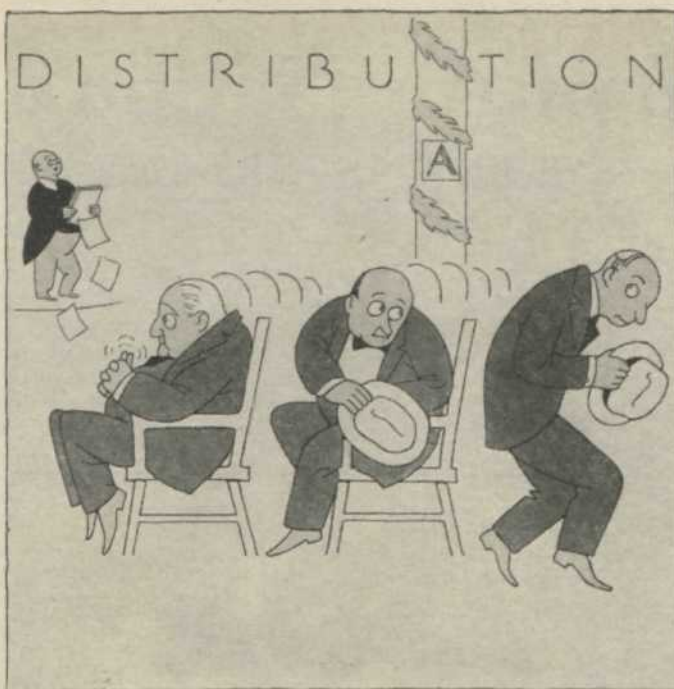
For a number of years I was a reporter in the House press gallery in Washington and during that time I heard several million words spilled on the floor of the House. Yet the speech which attracted the most newspaper editorial comment during my years on the Hill was of less than two hundred words. A member delivered it during a debate preliminary to the war. He drew a simple illustration, using a big dog and a little dog which he said he used to own, as his mediums. It was just a dog story slipped in between several ponderous dissertations on international law, but it was the one speech that stood out.

All about us are similar illustrations of the proper way to make a speech. Sometimes, when I have sat bogged down under tons of oratory, I have wondered if convention speakers and those who arrange programs ever heard of a man named Abraham Lincoln, who used to deliver some speeches now and then. He never made a dull speech in his life for the simple reason that he made them short and entertaining.

#### A Speech That Got the Crowd

THE best speech I have heard in many years was delivered a few months ago by Owen D. Young. It was a brief address and he illustrated his one big point by telling a Lincoln-esque story about an old farmer and a team of horses. It got the crowd.

So, I say, the man who is going to make an address should be compelled to outline in advance about what he is going to say and especially how long he is



"All crowds react alike to speeches read from manuscripts"

going to say it. But how can this be accomplished?

Easily. If he is a paid speaker, he should be obliged by contract to rehearse his talk before he is given his supper for talking. If he is not a paid speaker but is speaking for the good of the cause or just to exercise his vocal organs, he has the obligation of a rehearsal to his audience.

The tendency to accept an invitation to speak and then forget all about it until a few days before the time for the speech arrives is great in this country.

Paid speakers seldom vary their remarks. All too often they deliver canned speech No. 19. On Tuesday the Fruit Canners of Berryville hear it and on Friday night the Glass Casket Manufacturers of Mellott get it, perhaps with the clause "My dear friends of Mellott" inserted to make it strictly local. Nine times out of ten they never mention the business of the people addressed and one wonders at times if they know what the business is.

I well recall one high government official, now dead, who said to me, one night, just before he rose to speak, "For heaven's sake, write me a paragraph about this meeting. I don't know what all the shooting is about."

In the case of trained speakers only the audi-

ence suffers. When untrained men speak, everybody, including the speakers, are in agony. This often is due to faulty preliminary arrangements. Usually it is failure of the program committee to pin the speaker down on just what he is going to do.

Business men particularly are prone to neglect the preparation of speeches. They usually don't want to accept but are talked into it by various arguments. Then the delay and equivocation begins. Unless they have trained writing men around them, they put the preparation off until the last minute and then amid great agony make a mess of it.

Few things in this world are more painful than witnessing an untrained man trying to write his own speech. He usually starts by assembling the latest edition

of any encyclopedia, twenty-eight government reports, the most recent statement on pig iron by Colonel Ayres and a current number of College Humor.

#### He Locks Himself in His Office

THEN he locks himself in his office with a box of cigars and a woebegone feeling and after much travail of spirit evolves a most wondrous composition. Frequently it is disjointed, generally it is long and, to him, nine times out of ten, quite unsatisfactory.

The trouble is, they take only slight interest in what they are going to say until the panic is on. They think they are too busy to bother with a trifle like a speech. Yet they will spend hours and days thinking out just what to say to

(Continued on page 178)



"Chambermaids object to the printing of copies of speeches"



# The Map of the Nation's Business

By FRANK GREENE

Managing Editor, *Bradstreet's*

**T**RADE and industry in January and the first week of February were quite cheerful and things were better certainly than in the like period of last year and perhaps on a par with the same time in 1927. There was some complaint of lack of uniformity and some lines were lagging but lack of uniformity is no new feature and gains in many directions seemed, on the whole, more than to offset the complaints heard in others.

Conspicuous in activity in operation or sale were the metal lines, particularly iron, steel and copper and their fabrications such as automobiles, railroad cars, agricultural implements, machine tools, radio, and electrical equipment generally. Record output for January of both pig iron and steel ingots and heavy production of copper at advancing prices, with miners of the latter scoring good wage advances, were features in these lines.

Soft coal production was helped by the "old-fashioned" winter weather of January and early February. Production for January was the largest for any month since March, 1927, which saw feverish preparations to meet the coal strike that began on April 1 of that year.

## Weather Plays a Part

**W**HILE severe winter weather with temperatures 12 degrees below normal for January in a large part of the West and Northwest and freezing weather extending to the Central Gulf Coast were helpful to retail trade in winter wear, clothing, shoes, rubbers, etc., the interruption to business by heavy snows and impassable roads seemed to be an offsetting feature in dry goods lines for Spring outside of the centers of population.

Building of ordinary house, office and store constructions did not expand except at New York. There was difference of opinion as to whether this undeniable quieting in building had its origin in the money market situation. In retail trade in the newer lines trade was heavy. Mail-order and chain-store distribution expanded largely over a year ago, this on top of good gains in 1928

over 1927, although of course showing heavy reductions from December. Part of the gain was due to there being one more business day in January this year than last.

Weather influences, heavy snowfall particularly, were a retarding element in

tures holding down our own exports from last year's liberal yields. Visible wheat stocks, though tending to decrease, were well above those of a year ago and the advance in prices does not seem to have been much in excess of carrying charges. Corn and cotton exports did better

than wheat but the bright particular stars of our export trade last year were automobiles, tires, agricultural implements, and machinery of all kinds.

The shoe manufacturing trade did fairly well in January. Leather weakened with the lowering of hide prices. In cotton a ginning return for mid-January rather larger than expected resulted in some easing of prices for the raw material and in disproportionately heavier easing in the goods markets, some lines of which complained of overproduction.

Raw wool dealings were spotty and mills and dealers were apart on prices owing partly to easing on some grades with woolen buying not as active as might have been expected.

Features explanatory of the activity in steel operations and the relative steadiness in prices as compared with a year ago were found in the reports that January saw car orders equal to a third of all last year's buying.

## Other Steel Influences

**I**N addition there was good buying of oil and gas country goods, pipe, etc., large takings of sheets and bars by automobile manufacturers, and liberal takings of steel by the implement and machinery trades.

A strengthening of coke prices in February was explained as due to household buying taking up some fuel that ordinarily goes to industrial uses.

Copper prices rose 1.5 cents from January 8 to February 8, with export needs met at a slight advance, a quarter of a cent, over domestic buying. That product is nearly four cents above a year ago. In iron and steel, scrap prices eased off but were still well above a year ago, while pig iron was 25 cents to \$1 up in the same time. Steel sheets are actually a shade lower than a year ago, while bars, plates, beams and wire are

## BUSINESS INDICATORS

Latest month of 1929 and the same month of 1928 and 1927 compared with the same month of 1926

Production and Mill Consumption	Latest Month Available	Same Month 1926 = 100		
		1929	1928	1927
Pig Iron.....	January	104	87	94
Steel Ingots.....	January	105	97	92
Copper—Mine (U.S.).....	January	122	96	107
Zinc—Primary.....	January	88	93	101
Coal—Bituminous.....	January*	93	83	107
Petroleum.....	January*	136	121	119
Electrical Energy.....	December	130	117	111
Cotton Consumption.....	January	100	94	103
Automobiles.....	January	117	73	76
Rubber Tires.....	November	144	102	98
Cement—Portland.....	December	114	112	100
Construction				
Contracts Awarded—36 States—Dollar Values.....	January	85	93	83
Contracts Awarded—36 States—Square Feet.....	January	87	96	81
Labor				
Factory Employment (U.S.)—F. R. B.....	December	94	92	94
Factory Pay Roll (U.S.)—F. R. B.....	December	95	91	96
Wages—Per Capita (N.Y.).....	December	104	102	101
Transportation				
Freight Car Loadings.....	January*	101	98	102
Gross Operating Revenues.....	December	96	89	101
Net Operating Income.....	December	85	58	85
Trade—Domestic				
Bank Debts—New York City.....	January*	177	124	102
Bank Debts—Outside (X).....	January*	111	101	98
Business Failures—Number.....	January	110	115	107
Business Failures—Liabilities.....	January	123	109	117
Department Store Sales—F. R. B.....	January	103	99	100
Five and Ten Cent Stores Sales—4 Chains.....	January	120	115	107
Mail Order House Sales—2 Houses.....	January	125	99	93
Wholesale Trade F. R. B.....	December	91	92	94
Trade—Foreign				
Exports.....	December	101	87	99
Imports.....	December	85	84	91
Finance				
Stock Prices—30 Industrials.....	January	195	127	99
Stock Prices—20 Railroads.....	January	139	125	109
Number of Shares Traded in.....	January	262	139	85
Bond Prices—40 Bonds.....	January	103	106	103
Value of Bonds Sold.....	January	85	100	120
New Corporate Capital Issues—(Domestic).....	January	111	113	70
Interest Rates—Commercial Paper, 4-6 Months.....	January	128	90	96
Wholesale Prices				
U. S. Bureau of Labor Statistics.....	December	94	94	95
Bradstreet's.....	January	95	99	91
Dun's.....	January	100	98	95

July 1914 = 100

Retail Purchasing Power, July 1914—100

	Dec. 1928	Dec. 1927	Dec. 1926
Purchasing Power of the Retail Dollar.....	62	61	59
Purchasing Power of the Clothing Dollar.....	59	59	58
Purchasing Power of the Food Dollar.....	64	64	62
Purchasing Power of the Rent Dollar.....	62	60	58

(\*) Preliminary.

(\*\*) If December 1928 is latest month, percentages are based on December 1925-100.

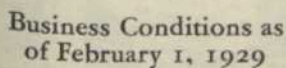
(X) Exclusive Boston, Cleveland, Chicago, Los Angeles, Philadelphia, Detroit, San Francisco and New York.

Prepared for *Nation's Business* by the Statistical Dept., Western Electric Co., Inc.

the North Pacific area west of the Cascades, which reported reduced production, especially in fir and pine logging camps and coast lumber mills but which also noted orders exceeding production and stiffening prices.

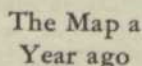
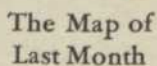
The severity of the winter season was a sustaining element in the wheat market, where a rise of 15 cents in the first three weeks of January was followed by irregular changes thereafter but with prices nearer a parity with a year ago than for a half year previous. Canadian and Argentine competition were fea-





## Mail-Order Sales Gain

Department-store trade was not in as good shape as was chain and mail-order buying, the gain for January being five per cent, most of this accounted for by the fact that there were only four Sundays in January this year as against five a year ago. Employment



Severe weather helped business in some sections and retarded it in others. Retail trade advanced and the employment situation improved with the increase in coal production and the greater activity in steel.

In discussions as to the future of trade and industry, most stress seems laid upon possible effects of high money, warnings of which by the Federal Reserve Bank system caused the slump in the stock market early in February, and—despite numerous consolidations and mergers—evidences of intense competition for business.





**T**HE modern world looks upon the invention of the radio and the airplane as wonderful and preeminently useful achievements. So they are, but only about one-tenth as useful as some of the discoveries in pure science.

Our new achievements are after all only inevitable incidents in the forward sweep of pure science, which is simply knowledge—knowledge of the nature and capacities of the physical world, the ethereal world, the biological world and the intellectual world. For this knowledge, as man acquires it, necessarily carries applied science in its wake.

Consider the historic background out of which the so-called modern marvels, the radio and the airplane, have sprung. Neither would have been possible without 200 years of work in pure science—work beginning in the sixteenth century with Copernicus, Kepler and Galileo. Their discoveries for the first time began to cause man to glimpse a nature, or a God—whichever term one prefers—not of caprice or whim such as had been all the gods of the ancient world, but as God who rules through law, a nature which can be counted upon and which hence is worth knowing and studying.

This discovery, which began to be made about 1600, was the supreme discovery of the ages, for before any application was ever dreamed of, it began to change the whole philosophical and religious out-

look of the race. It began to affect a spiritual and intellectual, though not at first a material, revolution.

### Two Centuries of Pure Science

**A**S a result of that inspiration there followed 200 years of the pure science involved in the development of the mathematics and celestial mechanics necessary merely to understand the movements of the heavenly bodies—useless knowledge to the unseeing, but all constituting an indispensable foundation for the development of the terrestrial mechanics and the industrial civilization which actually followed in the nineteenth century.

How indispensable this was we may realize from the fact that the very laws of force and motion essential to the design of all power machines were completely unknown until the beginning of the new knowledge in Galileo's time.

Just how new this knowledge is we can realize, perhaps, from the fact that what is absurd and ridiculous today was perfectly good science, or at least good philosophy, not more than 350 years ago. The very existence of the law of gravity

was discovered as recently as 1650 A. D. and through all recorded time levitation—the fabled phenomenon of maintaining the human body or other heavy objects in the air without support—was just as acceptable a scientific idea as gravitation. Just as recently as that have we begun to understand a little about the nature of the world in which we live.

But it is unnecessary to go back 300 years to demonstrate the newness of our knowledge. It is within the memory of any person of 60 that the question could be seriously debated as to whether Archbishop Usher's chronology—computed by adding Adam's 930 years to Enoch's 365 years to Methuselah's 969 years, etc., gave the correct date of creation. Recent election returns from Arkansas indicated that similar debates are now going on.

Now what has all this to do with the modern marvels of science and industry? Everything. For mankind's fundamental beliefs about the nature of the world and his place in it are in the last analysis the moving forces behind all his activities. Therefore enormous practical importance attaches to correct understanding.

# Who Gave Us Our

By DR. ROBERT

*Vice Chairman*

Decorations by





# Modern Wonders?

A. MILLIKAN

National Research Council

Charles Dunn

Man's beliefs about the nature of his world causes him in Africa to spend his time in beating tom-toms to drive away evil spirits. They caused man in Phoenicia to build a great "burning fiery furnace" to Moloch into which to throw his children as sacrifices to his God, they caused man in Attica to make war on his fellow Greeks because the Delphic Oracle of the flight of birds bade him do so.

Similarly his beliefs about the nature of the world caused him, in medieval Europe, to prepare for the millennium to the neglect of all his normal duties and to the extent of bringing on a world disaster in the year 1,000. They caused him to burn heretics in Flanders, to drown witches in Salem. And just so they cause him to make perpetual motion machines in Philadelphia, magnetic belts in Los Angeles, and soothing syrups in New England. Such are the fruits of incorrect understandings.

Now let us turn to the fruits of correct understandings, as exemplified by the radio and the airplane. In the case of the radio art, commercial values of which now mount up to many billions of dollars,

we have only to look back a matter of 19 years to realize the newness of this knowledge. For the whole structure of the radio art has been built since 1910. And definitely and unquestionably it has been built upon researches carried on in the pure science laboratory—researches carried on for 20 years before it was realized that there were immediate commercial applications of electronic discharges in high vacuums.

## The Genesis of the Airplane

AS for the airplane, it was only made possible by the development of the internal combustion engine. This engine, in turn, was only made possible by the development of the laws governing all heat engines, the laws of thermodynamics, through the use for the hundred preceding years of the steam engine. This last was only made possible by the work in celestial mechanics during the previous 200 years, and that work was only made possible by the discovery of the laws of force and motion by Galileo and Newton.

Thus are furnished practical illustrations of the relationship of pure science

to industry. The one is the child of the other. Apply any blood test that may be wished and at once the relationship is established. Pure science begat modern industry.

The same story is found in all branches of human progress. It would be difficult to find a single exception. One more illustration, the

latest that has come to my attention, is found in a letter that was sent me very recently by the Air Reduction Sales Company. It read:

"We take pleasure in handing you herewith a complete set of luminescent tubes, each containing in the pure state, one of the elements of the air, namely, nitrogen, oxygen, argon, hydrogen, neon, helium, krypton and xenon.

"It seems to us worthy of note that at the beginning of this century these gaseous elements as such had practically no commercial significance. Today the estimated value of the plants and equipment that have been created either to manufacture or to use and handle these gases in industry amounts to \$300,000,000."

The writer of this letter might have added that the chain of discovery which led up to this result started in the most "useless" of all sciences, astronomy. For helium, as its name implies and as everyone knows, was first discovered in the sun with the aid of the spectroscope. Thirty years later it was its discovery in minute amounts in our atmosphere, also with the aid of the spectroscope, that set us look-



ing for the other inert gases of which the letter speaks and which have recently found such enormous application in neon tubes and the like.

But why continue these recitals? No intelligent man today needs to be convinced that our material prosperity rests wholly upon the development of our science. It is as to the broader values, intellectual and spiritual, that even intelligent men sometimes express doubt.

### Science Leads Us Forward

LET me then start with the foundations that I have already laid and try to show to what these beginnings are leading; whither we are going, not materially, but as feeling, thinking and willing beings.

Was Pasteur only a scientific enthusiast when he wrote, "In our century science is the soul of the prosperity of nations and the living source of all progress. Undoubtedly the tiring discussions of politics seem to be our guide—empty appearances! What really leads us forward is a few scientific discoveries and their application."

Or was H. G. Wells, himself not a scientist at all, merely talking nonsense when he wrote:

"When the intellectual history of this time comes to be written, nothing, I think, will stand out more strikingly than the empty gulf in quality between the superb and richly fruitful scientific investigations that are going on, and the general thought of other educated sections of the community.

"I do not mean that scientific men are, as a whole, a class of supermen, dealing and thinking about everything in a way altogether better than the common run of humanity, but in their field they think and work with an intensity and integrity, a breadth, a boldness, patience, thoroughness, fruitfulness, excepting only a few artists, which puts their work out of all comparison with any other human activity."

This may be an extravagant statement—most of us scientists are sure it is—but I should like to attempt to picture a little of what I think was in the mind of its author. I shall do it by drawing an analogy between the life of mankind as a whole and the life of man as an individual.

A hundred years ago we knew practically nothing about the duration of the life of mankind as those comparatively recent debates on Archbishop Usher's chronology showed. Since then, however, we have made some scientific discoveries—discoveries which in my opinion outweigh in practical value the invention of

the airplane and of the radio. This is by reason of the fact that they change fundamentally our ideas about the nature of the outside world, and hence change also the nature of our acting in relation to it.

We have learned within the past half dozen years through studies in radio activity that our world has in all probability been a going concern, in something like its present aspect, for more than a billion years. Hence it is reasoned the human race can probably count on occupying it for say another billion years.

Further it is believed that mankind has been doing business on it in something like his present shape for some 20,000 years, perhaps 50,000, but in any case a time that is negligibly small in comparison with the time ahead of him.

In other words, we have learned that mankind, speaking of him as an individual human being, is now just an infant a few months old at the most. He is an infant that up to about a minute ago—for the 300 years since Galileo is but a minute in the geological time-scale—has been lying in his crib playing with his fingers, wiggling his toes, and shaking his rattle. In a word, he has spent his time in simply becoming conscious of his own sensations and his functions, waking up, as he did amazingly in Greece, to his own mental and emotional insides.

Just one minute ago he began for the first time to peer out of his crib, to wonder and to begin to try to find out what kind of external world lies around him, what kind of world it is in which he has to live for the next billion years. The answers to that question, even though never completely given, are henceforth his supreme concern.

In this minute of experience that he has already had he has tumbled down in his crib, bumped his head against the slats, and seen stars—real ones and unreal ones—and he hasn't yet learned to distinguish with certainty between those that actually exist and those that only seem to exist because his eyeballs have received a blow. Consequently he is reaching out his hands part of the time trying to grasp illusions, and yet slowly, painfully learning, bit by bit, that there is an external world, physical and biological, that

can be known and that can be counted upon, when it has once become known, to act consistently, not capriciously.

He is learning that there is a law of gravity and that it isn't necessary to be covered with bruises all the time because he forgets it.

He is learning that there is a principle

of conservation of energy, and that all constructive and worth-while effort everywhere must take it into account and be consonant with it. He is learning that it is not worth while to spend much time with sentimentalists who wish that that principle did not exist and sometimes try to legislate it out of existence.

He is learning that again there are facts of heredity that it is utterly futile to inveigh against, that our whole duty is rather to bend every energy to know what these facts are and then to find how to live in conformity with them.

In a single sentence he is learning that there is the possibility ahead of mankind of learning in the next billion years to live at least a million times more wisely than we now live.

We need science in education and much more of it than we now have, not primarily to train technicians, though that may be important, but much more to give everybody a little glimpse of the scientific mode of approach to life's problems, to give everyone some familiarity with at least one field in which the distinction between correct and incorrect is not always blurred and uncertain.

We need it to let everyone see that it is not always true that "one opinion is as good as another." We need it to let everyone understand that up to Galileo's time it was reputable science to talk about gravity and levity, but that after Galileo's time the use of levity became limited to the ridiculous, that "the town that voted the earth was flat, flat as my hat, flatter than that," had a perfect right to exist before 1400 A. D., but not after that.

For my own part I do not believe that the eternal laws that govern our world are limited to the physical world either. Less than 60 years ago, to take one illustration, there existed a political party in the United States called the Greenback Party which conducted campaigns to induce our Government to go over to a fiat money basis.

### The Opposition to Science

I DO NOT suppose such a party could exist today unless it be in states that pass antievolution laws, for there are some laws that have become established, even in the field of finance.

Now such opposition to the advance of science as is illustrated by antievolution laws is participated in even by some intelligent people on the ground that mankind cannot be trusted with too much knowledge.

Fear of knowledge is as old as the Garden of Eden and as recent as Dr. Faust, and there is no new answer to be made to it. The old answer is merely to point to what the increase in knowledge has done to the lot of mankind in the past. I think that answer is sufficient, for it has certainly enfranchised the slave, given every man, even the poorest, such opportunities as not even the prince of old enjoyed.

Who would go back to the Stone Age because man then had no explosives? Of

(Continued on page 177)







BLANK  
& STOLLER,  
NEW YORK

BARRON G. COLLIER came to the belief that there was a fortune to be made in car card advertising. He has proved his point, encountering in the process but one barrier to ultimate success. He discusses that obstacle and his business career in this article for the first time

# Putting an Idea to Work

By ROBERT DOUGAN

**B**ARRON G. COLLIER talks to more than 40 million people a day. He talks in close-clipped sentences, sometimes in monosyllables, about everything under the sun, from shoe polish to chewing gum, correspondence courses to soup.

He is an insistent, persistent, never-silenced voice and his choice of a medium through which to address you has built him a fortune that mounts far up in the millions, has put his fingers on so many businesses that he would have to think pretty fast to enumerate them offhand.

His medium is the car card; he was one of the first men in the country to envision the possibilities of advertising in street cars—to see those possibilities and to develop them.

He started his business career as a messenger boy in Memphis, 35 years ago. He decided early in life that he was to devote his energy, his time and his abilities to the advertising field and in particular to the field of street car advertising, which was then practically untouched

but in which he saw a glowing future. In Memphis he prospered slowly but surely. He stuck pretty exclusively to street car advertising until he had established his business upon a secure foundation, with New York as his headquarters.

## He Owns a Whole County!

**I**N 1912 he began investing in Florida farm lands—and today he owns a whole county in that state, a million acres in all, which the state legislature has named in his honor. Florida's historian predicts that he will be our first "land billionaire." His faith in the agricultural development of Florida has been unshaken, but he does not care for city-lot schemes.

Like many other successful business men, Collier makes promises carefully and lives up to them scrupulously. That has helped to establish a great credit everywhere. The Seminole Indians, the most suspicious of American tribesmen, trust him implicitly. They created something of a sensation in Florida by opening checking accounts in one of the Col-

lier banks. He has shown his faith in the Indians by giving orders that any Seminole in Collier County shall be given merchandise at any local store by applying to the manager. If the Indian does not pay, Collier will. No Indian so far has failed.

Collier owns outright and personally supervises the operation of 30 businesses, many of them national in character, including a railroad, a steamship line, telephone lines and a health resort or two. He has offices in nearly a hundred cities, and business interests in more than a thousand.

The pace he sets is extraordinary but he has stood up well under it, partly perhaps because he has not become too serious and knows how to relax. He seldom quits his New York office before nine or ten o'clock at night. Sometimes it is midnight.

Often he spies an important visitor in his anteroom as he leaves to take a train to Philadelphia, Chicago or some other city and insists upon carrying the visitor



with him, discussing the matter in point on the trip.

Collier has never attempted to set down any rules for success in business. Until he consented to talk for NATION'S BUSINESS he never has discussed his career for publication. His friends, those who know him well, in explaining his success say that, aside from the other factors, Collier is always courteous and cheerful; that he is never afraid to shoot the bank roll when he thinks he is right; that he is willing to wait for profits, meanwhile forging ahead with his various ventures.

He is not interested in quick, small profits, except when they are incidental to a big venture destined to pay well over a long period. He usually plans about 15 years ahead. He has made some bad guesses and has withdrawn from some of his businesses, but his average of successes is high.

"Business and more business," declared Collier in discussing his work, "was the first stimulus to my vital spark. It aroused all of my latent energy and I feel sure that whatever there may be of success in my undertakings may be attributable to this fact.

"I have had no youth. Most boys pass through a sweetheart stage during adolescence. I never did. I never understood girls. This lack of understanding produced an aloofness which caused them to be quite out of my life, although, I must confess, they always were attractive to me. I think the time and vital energy that many young men spend in dancing and flirting was spared me to be used for business purposes.

"I must admit that at 55 I still do not understand women. In order to assist in my perplexity, my wife has been sweet enough to bring me three sons and no daughters, so that it is apparent that I still have no chance to understand them.

### The Only Bar to Success

**F**ROM the first, business was the polestar of my ambition. As a boy, I decided that success or failure in business was not a matter of luck nor of predestination. I decided that, as a business man, I simply was to be in competition with the mental and physical resistance of other strivers for success; that all business was made up entirely of human beings; that the human equation was the only one to be considered; that the man who had enough mental energy never to give up was the man who won; and that human resistance was the only barrier to success.

"When I felt weak and thought I was losing, I would say to myself, 'Why, you are only tired. All you need to do is to get a fine night's rest and a cold bath and by tomorrow you will be able to lick your weight in wildcats.' And so I would rest and come back fighting to win.

"I never thought about giving up. It never occurred to me ever to lie down before the opposition of my competitor, and I never allowed my physical resistance to reach the point where it was not entirely able to cope with opposition.

At my present age I am as convinced of the soundness of this philosophy as I was as a boy of 16.

"If a man has a meritorious article to sell, whether it is advertising, railroad securities, real estate, automobiles, peanuts, candy or what not, and has sufficient determination to sell it with sufficient force to break down the physical sales resistance of his competitor and prospective customer, he will inevitably succeed.

"Many people told me as a boy that I was a natural-born salesman and, with the credulity of youth, I believed it. Advertising appealed to me as being nearly 100 per cent my idea of a fine business in which I could sell. Besides, it didn't require much capital, I then believed. So it was into advertising that I plunged.

"The first thing I found about adver-

tising was that its value was based on circulation. When I heard advertising solicitors from the newspapers talking their medium, the word 'circulation' seemed to be most prominent in all their arguments. With the idea of circulation as a basis of real value to an advertising medium, I set out to find one which had not been preempted by other advertising men. I thought of every possible place where people congregated, with the view to obtaining that vague something which advertising men call circulation.

### The Quest for a Medium

**"AT LAST** I decided that the most common gathering place of almost all the people was the street car. So I started out to obtain the privilege of putting up advertising cards in them.

"The question of where the cards should

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## Business Men You Have Read About



### IN MANY LINES

Paper, sugar, motors, auto lighting, cash registers are a few of the interests of Col. E. A. Deeds, of Dayton. He's a director of the National City Company of New York, and owns his own flying field



### GATHERS FACTS

The third woman to be made a Trade Commissioner, Miss Gudrun Carlson, of Chicago, has been named for Norway. Formerly she was in home economics work for the Meat Packers Institute



### NEW POWER

A lawyer and utilities executive, Andrew W. Robertson, of Pittsburgh, is elected chairman of the board of Westinghouse Electric and Manufacturing Company. He has long been a chamber worker



### HEADS NEW BANK

Herbert P. Howell, of New York, is president of the new Commercial National Bank and Trust Company, of New York City, which opened its doors for business early this year. He's new to banking



### AIDS MANKIND

L. N. Littauer, former congressman and retired glove manufacturer of Gloversville, N. Y., gives a million dollars to "enlarge the realm of human knowledge, that welfare and wisdom may increase"



### ICE LEADER

A leader in the ice industry, H. D. Norvell, of Cincinnati, president, City Ice and Fuel Company, is spoken of as one who has done much to make that industry recognize its responsibilities

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be placed finally was decided by locating them just above the windows. Thus, a rider couldn't look out a window without seeing the cards. Likewise, at night when it was dark outside and there was no passing scenery to distract his attention, the cards would be better advertising value than during the day.

"These were the theories, briefly, upon which I started in business. The fact that the great captains of industry who control the outstanding nationally advertised products of the world today are the backbone of our business testifies to the soundness of those theories.

"When we started the cards were printed in black and white. That made them all run together and look alike. Therefore I determined that we should make them just as artistic as possible. Through the use of color I would try to

make the cards so attractive that they would become a source of entertainment as well as information.

"All sellers of advertising similarly have endeavored to improve the artistic quality of their medium.

### Not a Single Complaint!

"WE feel that our artistic efforts have been successful, for in all the years that we have been in business, meeting millions and millions of car riders—and these now amount to over 40 millions each day—there has never been a complaint against street car advertising.

"A great many persons have asked me why I came to New York when I was so pleasantly situated in Memphis. My reply was that you cannot catch big fish in a bucket—that you have to go where the fish are.

"I do not wish to infer that getting on my feet in New York was easy. But it is not such a harsh, cold city as most outsiders believe it to be.

"I started here from Memphis with a one-way railroad ticket and a very small sum of money. Subsequently, I was to experience all the thrills, disappointments and joys of living in a Gramercy Park boarding house, cooling my heels outside the office of big business men who did not seem particularly enthusiastic about seeing me, and trying to struggle to the top of the heap.

"New York seemed unusually peculiar to me. I had been raised in a southern atmosphere of politeness and cordiality. At home in Tennessee when I walked from my home to the office I bowed to everyone I met. I knew everybody I met. When I rode in a street car I jumped up eagerly to give my seat to a neighbor's wife or daughter because I knew they would go straight home and say what a polite man I was.

"When I first came to New York I knew no one and was appalled at the seeming discourtesy of people.

"A man would rush right by, step on my feet and never stop and say 'excuse me,' because he never expected to see me again. Often when I arose to give my seat to young women, they thought that I was trying to flirt with them and would look at me as though I were some rather curious specimen escaped from the zoo. Once I had a fight with a man on the elevated train because when I got up to give a lady a seat he jumped into it. I lifted him out of the seat and she got in. He then appealed to the rest of the crowd and said I was a ruffian.

### A Different Environment

"BUT, after a while, I found out that a lot that seemed strange to me about New York was perfectly logical. I found out that people who seemed cold were just as human as the people I left behind me in the South and that many little customs and habits which seemed strange to me were only the natural outcome of a different environment. New York was just as warm-hearted a city as any in the world.

"At first too I thought the bankers were cold to an ambitious, energetic young man who wanted to work, but I found that they were only trying to exercise a proper caution in lending their depositors' money. Now I am glad to admit that I have always gotten the fullest measure of all that I deserved from the bankers.

"I think the resistance that I experienced in those early days was the best thing that ever happened to me. I now recognize that New York was the best place in the world to test my theory that physical and mental resistance is a business man's only real opposition. I found many friendly competitors who were willing to hang on almost as long as I was. But I believe that I had more patience than the rest of them. They all have quit, and I am still here."

## In the Passing News of the Month



### DOLLAR DOWN

"Pay-As-You-Fly" will be the motto for airship buyers soon. The Commercial Credit Company of New York, of which H. L. Wyngar is president, has now organized to finance aircraft purchases



### NEW LINK

When Frank E. Gannett, of Rochester, bought the Brooklyn Daily Eagle recently it became the sixteenth in his chain. Now only the Scripps-Howard and Hearst groups run more newspapers



### STILL TRADING

Trading in merchandise is not enough for 32-year-old Lee Adam Gimbel, of Gimbel Bros., Inc., N. Y. He paid \$575,000 for a seat on the N. Y. Stock exchange, to become an individual trader



### DREAM TOWER

The Foshay Tower in Minneapolis, 32 stories high, fulfills the boyish dream of its builder, W. B. Foshay, who decided while a boy to make an office building similar to the Washington Monument



### MOTOR PIONEER

Frederick J. Haynes retired from Dodge Brothers last Summer, and is now elected to the presidency of the Board of Durant Motors. And headquarters move from New York to Lansing



### SHINED WELL

A. E. Lefcourt sold papers and shined shoes 40 years ago on the spot where his bank stands today. He now owns 24 skyscrapers in New York, and plans more. He was born near Al Smith's home



Airplanes are being used in the preparation of a photographic map of Manhattan Island, to assist in tax revaluations. Another map is being made to aid in the location of proposed arterial highways

**A**CCOMPLISHMENTS in commercial aviation during the past year have stripped the encumbering cloak of romance from the science of flying and brought it forcibly to the attention of the hard-headed business man.

Commercial planes now are flying daily schedules of more than 38,000 miles. Obviously the airplane has become a necessary adjunct to the era of speed transportation in which we live. Airplane payload profits have become tangible assets to many important commercial enterprises and in the same proportion that these profits increase the airplane will supplant other means of transportation.

That this condition is by no means temporary is evidenced by the fact that there are some 60 recognized manufacturing companies in the United States turning out finished planes. The total output of these companies for 1928 exceeded 5,000 planes. When compared to the output of motor cars over the same period airplane production figures seem insignificant. Yet nearly three times as many planes were produced in 1928 as in 1927.

The great majority of these planes were purchased by commercial transportation companies whose ever-increasing demands for flying stock far exceeds the available supply. Another fairly large group went to air taxi operators. Merchants, manufacturers, bankers, and shrewd executives are purchasing planes in increasing numbers to assist in their business turnover. Their vision sees in the airplane a new weapon with which to arm their cohorts of salesmen in the field.

But undoubtedly the largest service rendered by the airplane today is in the field of mail transportation. Air mail pilots, flying by compass, celestial navigation, and revolving land beacon,

cover more than 26,000 miles daily and carry letters from New York to San Francisco in 33 hours. The recent decrease in "sky postage" has more than doubled the increase in mail matter. Whereas planes carried 1,654,000 pounds of mail in 1927, it is anticipated that the 1928 report will show considerably more than three million pounds carried.

#### On a Clock-like Schedule

**T**HIS huge volume of mail matter is being transported by 27 private air transportation contractors, to whom the Post Office Department, after an expenditure of \$18,924,076 during the past decade for the development of air routes, has let mail-carrying contracts. So closely do these mail planes adhere to their flying schedules that factory workers and farmers living beneath these transcontinental air highways are enabled to set their watches and clocks by the mail planes' passage overhead.

But planes have other important uses besides mail transportation. Mining companies, with pits scattered in the most difficult terrain, are naturally among the most enthusiastic private users of planes. Important mining concerns in Nevada, New Mexico, and Arizona employ them in a variety of ways—for the delivery of food, drills, parts, and hospital supplies

and in some instances even of pay rolls.

An amusing story of a Mexican worker, Jose Garcia, who came into forcible contact with one of these air-delivered gold bags is told by an American mine foreman. It seems that Jose was a boaster. He had escaped so many landslides, tornadoes, rock falls and fires that the American had dubbed him "Tartarin of Tobasco"—and believed but one-eighth of his fantastic tales.

Pay day came to this outpost pit, but the paymaster and his burro did not arrive. Gloom settled over the whole community. An hour before quitting time, ear-splitting screams rent the air and Jose stumbled into camp with one arm limp and the other clutching a heavy canvas coin sack. He insisted that a friendly angel had hit him over the shoulder with it, and in proof offered to show the angel's white robe. The white robe turned out to be a small parachute attached to the bullion sack, which had been dropped by the paymaster's plane.

By the old method it had taken the paymaster and his burro 27 days to visit all the outlying workings. Less than three hours sufficed to do the same job with a plane.

The lumber industry likewise uses planes for transportation purposes. In Maine, northern Wisconsin, Michigan,



## The Way Business

By PHILIP





FAISCHILD AERIAL SURVEYS, INC., N. Y.

Planes also are utilized by many of the bigger lumber concerns for cruising their vast timber domains. Some firms use their own planes but more often an aerial surveying firm is retained to do the work

Not infrequently executives of these companies are called upon to draw a fine diplomatic line regarding the business ethics involved in undertaking new contracts.

In one of our eastern cities there was a plant manufacturing a commodity which required several secret processes, necessitating a number of outbuildings, all inclosed by a high brick wall. The plant came up for sale by the estate of the owner.

Several bidders appeared, yet, owing to a court order, inspection of the premises was delayed so long that the bidders realized they would have only a narrow margin of time between inspection and sale in which to revise bids for the property. Unknown to each other, two of the largest bidders, bitter competitors, went to the same aerial survey company and demanded a complete air mosaic of the property in question as well as a series of oblique views of the various buildings.

#### A Profitable Compromise

SINCE both contracts involved large sums of money the sales manager of the aerial survey company was loath to refuse either. Yet he was afraid that if he told B he was undertaking a map contract for A, B would only go to a competitor and obtain the same information. Similarly he felt that he could not sell the information which he had obtained for A to B, although the work of obtaining it would be exact duplication.

In the end he compromised, and during the week following a plane circled over the plant on Monday, Wednesday and Friday taking A's pictures, and another plane and another pilot performed the same service for B on Tuesday, Thursday and Saturday.

Fortunately for both principals it was a week of fine weather so the photographs

# Uses the Airplane

## KERBY

and Minnesota, many planes are in daily use transporting lumberjacks and their equipment into the "back of beyond." Days and even weeks are saved because trees may be felled and prepared for shipment at the same time other crews are clearing logging trails or building light railways to haul the lumber out.

### An Ingenious Landing Gear

MOST planes used in this way are equipped with pontoons and require only a relatively small body of water—forest lakes or small rivers—on which to land or take off. Skis are substituted for the pontoons during the Winter. The devising of a suitable landing gear for use in early Spring and late Fall, when old and rotten ice or thin films of new ice cover lakes and rivers, furnished plane manufacturers serving this trade with a nice problem. Skis either smashed through or were broken by the sharp edges of large ice chunks. The usual style of pontoons, of course, could not be used. Not until one manufacturer hit upon the happy plan of fastening a harness of skis under each pontoon was it possible for these planes to fly every day in the year.

Planes are also being used by many of the bigger lumber concerns for cruising their vast timber domains. Some firms use their own planes, but more often an

aerial surveying company which specializes in map making is retained to do the work.

This aerial surveying had its beginning during the World War in the aerial photography of enemy terrain. Great strides have been made since the war, of course, in developing aerial cameras and automatic machines for reducing photographs to scale. Technicians have also learned to mount these aerial mosaics and to rephotograph them to the size of maps desired for easy handling.

An American aerial camera has been invented which records automatically the time of day, altitude and speed of the plane on each individual film, thereby simplifying the task of sorting, cataloging and rephotographing. These cameras are equipped with such magnificent lenses that photographs taken at an altitude of 20,000 feet may be enlarged to show in detail roads and configurations of terrain.

The work of these aerial survey companies is by no means limited to timber cruising. Aerial maps are made for tax revaluation and assessment work, for town planning, for court evidence in land fraud cases—such maps played an important part in the suits growing out of the Teapot Dome oil leases—and for obtaining information that is of a purely commercial character.



to all intents and purposes were identical.

A's bid won the property, which A claimed was due to his initiative in obtaining exact information by using the most modern means. To this day it is doubtful if he knew that his competitor availed himself of the same means.

One of the most interesting aerial maps is that of the city of Washington, D. C. This large scale mosaic, the work of the Army Air Corps, gives the visitor to the Capital a far more graphic insight into the general plan and outstanding features of Washington than any amount of description.

The original of this map is made up of dozens of aerial photographs of the city fitted together into a huge unit on which every feature of the terrain, both natural and artificial, is distinguishable. This clarity is preserved in large measure even in the smallest reproductions of the original map.

Another important photographic map is that of Manhattan Island, which is being prepared for the New York Board of Estimate for tax revaluation purposes. A third makes a complete survey of New York's wealthy Westchester County and will form a basis for a study of proposed arterial highways to solve New York City's traffic problem.

### The Widening Field of Aviation

THESE are only a few of the present commercial uses of the airplane. Innumerable other uses might be listed, while the vast potentialities of the once scorned "flying machine" can only be imagined. That this potential field is so wide is due in part to the United States Department of Commerce and the constructive legislation instituted on the Department's behalf as a result of initiative, vision and resourcefulness of former Secretary Hoover. It is true that the air consciousness of the nation was quickened by the daring exploits of Lindbergh, Maitland, Goebel, Byrd, Chamberlain, and other fliers, but without Herbert Hoover's genius for capitalizing this great enthusiasm, without his ability to direct it in the proper channels, the United States today would be lagging far behind in this new science.

Mr. Hoover accomplished these things through government supervision of manu-

facturing plants and by the issuance of certificates for manufacture only after the proposed model had been subjected to exhaustive tests; through the tightening of restrictions regarding issuance of licenses to pilots who proposed the "carrying of passengers for gain" between various states, and who, therefore, came under jurisdiction of the interstate commerce statutes; and through the charting of airways through mountain passes and the establishment and lighting of hundreds of emergency landing fields.

He claims no personal credit for these advances, insisting that it should be shared by his assistant, William P. MacCracken, Jr., whom he appointed Assistant Secretary of Commerce for Aeronautics over three years ago.

Mr. MacCracken with many years of aviation experience to his credit, placed only pilots of proven ability and sterling character upon the board of examiners for candidates seeking licenses as commercial flyers. He worked out with his chief and the licensing board—sitting ex-officio—three different grades of licenses. One grade is for student flyers who have had ten hours solo work in the air and who propose to drive their own planes with friends as passengers, another is for pilots who propose carrying passengers within the boundaries of a single state, and a third is for full-fledged commercial pilots. By the elimination of politics from this licensing board the utmost confidence is reposed in it and consequently licenses issued by it have a real significance.

Mr. MacCracken in attacking the problem of choosing and lighting the transcontinental airways, called the Bureau of Lighthouses to his aid. To this Bureau was assigned the task of establishing and maintaining airways. Shortly thereafter an airways division was developed composed of lighting engineers and pilots. With planes borrowed from the Army, Navy and Post Office Departments, airway extension superintendents established beacon light locations and landing fields.

Soon all along the night routes at thirty-mile intervals safe landing fields made their appearance framed in parallelograms of white flood lights. Through difficult mountain passes, where a false

tura when traveling at 100 miles an hour would mean instant death, powerful blinkers were placed to guide the airmen on their journeys.

Each flying field was equipped to obtain and transmit weather data so that a pilot might know the weather to expect over the next 200 miles of his journey. To gather this information was no small task because in the localities where the Weather Bureau maintained no station, flying field attaches were impressed into service and taught how to record weather data as well as to obtain from pilots on their arrival descriptions of weather flown through, then to disseminate this information to other fields.

### How America Ranks in the Air

THUS have been laid the foundations for the development of commercial aviation in America. Already we lead the world in the number of miles flown daily on commercial routes. We are surpassed only by Germany in the number of passengers and amount of air freight carried—and surpassed only by a narrow margin. In military planes America is out-ranked slightly by both Great Britain and France, but here, too, the margin is appreciably small. The number of recognized airplane factories in the United States is greater than the combined number of factories in England and France.

Thus have we started this new structure in our industrial life, rearing it without the subsidy that has been given by every European government to aviation. Instead of a monetary subsidy there has been made available to American manufacturers and to American pilots the greatest technical brains at the Government's command for the solution of the many pressing problems confronting the development of commercial aviation. Through this plan America has avoided the effects of the subsidy system—the cramping of initiative and the throttling of competition, the lifeblood of trade.

And thus it is that there is presented to every American business man the opportunity to analyze how best he can use this newest force in our ever-changing civilization to work out the solutions of his problems of present distribution and future markets.



Along the night routes landing fields made their appearance framed in parallelograms of light

WESTINGHOUSE



Great Britain's telephone suits people not in a hurry. But walking saves time



# Where Red Tape Rules Telephones

By HERBERT N. CASSON

Editor of Efficiency Magazine, London

**I**N GREAT BRITAIN the telephone is a high speed device that has been slowed down by 17 years of government ownership.

It suits people who are not in a hurry. But it suits no one else. A London editor said recently, "If you are in a hurry, don't telephone—walk."

It is an interesting and instructive study—this British telephone system. It proves to all the world that a technical business cannot be run on commercial lines by a government department.

Not long ago there was a celebration of the jubilee of the telephone in London. It was a small affair in a small hall. The public took no part in it. The newspapers considered it worth only half a column of space.

At this celebration the Postmaster General made the speech of the evening. He was obliged to confess that after 50 years there were only 1,600,000 telephones in the whole of Great Britain—about half as many as there are in the New York Telephone Company alone. It was not a very joyous jubilee.

## Service Makes Little Headway

**T**HE fact is that Great Britain is 20 years behind the United States in telephone service and is not making any headway, comparatively. Money is being spent on development—probably about \$40,000,000 last year; but the New York Telephone Company spent twice as much.

There are still only 490,000 telephones in the vast city of London, with its area of 700 square miles and population of more than seven million.

In the last two years, the New York Telephone Company installed more new

telephones than London has installed in half a century. New York City alone has now as many telephones as the whole of England.

The telephone traffic in London is only 10,400,000 calls a week. This is regarded in England as a surprisingly large figure; but it is two million less than the calls that are made in one day over the telephone lines of the New York Telephone Company alone.

There are more telephone messages sent in two weeks in the United States than there are sent in a whole year in Great Britain.

Not long ago the Postmaster General was compelled to admit in Parliament that the United States has one telephone to every seven persons, while Britain has only one to every 27.

To sum up, Britain has only 25 per cent as many telephones, in proportion to population, and only five per cent as much traffic, as the United States phones have.

As for telephone rates, they are slightly higher than American rates, and they are paid for a defective, 17 per cent service. Plainly, rates should be based upon the number of people who can be reached by telephone.

In Britain the great mass of farmers and wage-earners are outside the reach of the telephone system. The telephone has not yet become a national convenience.

It is still, like the telegraph, a service available only to the wealthier.

I now pay \$115 a year for my office telephone and about \$60 a year for my house telephone. And I can reach only one person out of every 27, instead of one out of seven, as in the United States.

## Value of Assets Is Unknown

**A**S TO the total assets of the British telephone system, no one knows. Very few facts are made public by the bureaucracy in charge of the telephone. In 1911 the British Government paid only \$65,000,000 to the National Telephone Company for its whole plant. Before the war the assets were mentioned as being \$115,000,000. At present the whole system may possibly be worth \$325,000,000, or half as much as the assets of the New York Telephone Company.

The service today is much better than it was several years ago. In 1923 there were 28,500 people waiting for telephones



The telephone has always been treated as a public menace



to be installed. When I ordered my house telephone in 1915 I obtained it only after 136 days, whereas the average time in New York City is, I believe, four and one-half days.

Before and during the war the service was intolerable. In 1913 there were 51,043 complaints in London alone from irritated telephone users. One London hotel complained that, out of 3,000 calls, 700 were ineffective.

Shortly before the war the Telephone Department sent 1,000 letters to London subscribers, asking them if they were satisfied with the telephone service. They replied unanimously in the negative, and 880 declared that public ownership had proved a failure.

### Poor Pay for Managers

ALL told, there are only 32,000 employees in the telephone system, and they are poorly paid. The chief inspector receives \$6,000, and the head of the whole department receives \$7,500. Competent men cannot be obtained for such salaries.

Now and then the telephone system has made a small net profit, or, rather, what bureaucrats call a net profit. No regular balance sheet is ever prepared. In 1921 the department confessed to a loss of \$32,000,000, which was levied upon the taxpayers.

According to its own figures, which are not regarded as reliable, there has been a net loss, in the last 16 years, of \$15,000,000.

When the government took over the telephones in 1911 it expected to make huge profits. It was at that time receiving royalties from the private company.

If these royalties had continued, they would have amounted to more than \$100,000,000. It is, therefore, fair to say that the loss to taxpayers has been \$115,000,000 since 1911, because of the public ownership of the telephone system. This is the amount that has been lost to the national treasury.

When this is considered, it will be seen that telephone rates are far higher in Great Britain than they are in America. In Britain, part of the cost of the telephones is levied upon the taxpayer, while in America part of the cost comes back to shareholders in dividends.

Taking myself as a representative telephone user in London, I find that in the last 13 years I have paid \$2,275 in telephone rates, and as an income taxpayer I have paid about \$1,000 more to help make up the telephone deficit.

My telephone rates are, therefore, 44 per cent more than they appear to be by my bills.

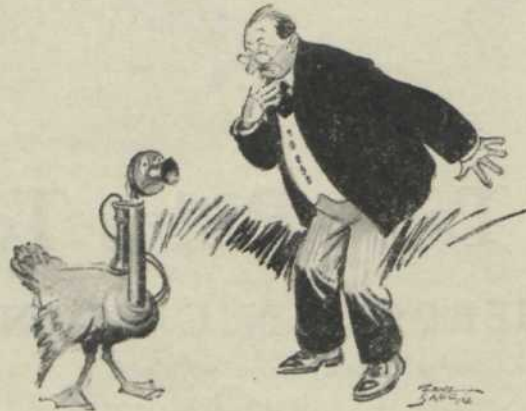
From the first, the story of telephone development in Great Britain has been a

"Comedy of Errors." The telephone has been regarded with dislike and suspicion. It has been obstructed and penalized. Actually, it has been treated as though it were a public menace, as a device for carrying on betting or smuggling or bootlegging.

England had her chance to monopolize telephony, and she threw it away. Bell, who was a Scot, born in Edinburgh, came joyously to England in 1877 to offer his new telephone to his fellow-Britishers.

No one in Britain would take it seriously nor invest a dollar in it.

"It is little better than a toy," said the London Saturday Review. "It amazes



**GREAT BRITAIN'S telephone system was built up by private enterprise, but when it began to compete with the government-owned telegraph, it was taken over by the Post Office which runs the telegraph. It became the ugly duckling of the Civil Service and remains so today**

ignorant people for a moment, but it is inferior to our well-established system of air-tubes."

"What will become of the privacy of life?" asked another London editor, "What will become of the sanctity of the domestic hearth?"

"It is nothing but a complicated form of speaking trumpet," said a third.

As late as 1882, Herbert Spencer wrote, "The telephone is scarcely used at all in London and it is unknown in other English cities."

The first wire was strung from London to Windsor Castle, for the entertainment of Queen Victoria, and the first order for a telephone from a business firm came from J. P. Morgan & Co., the bankers.

Then, in 1880, an English judge—Judge Stephen—declared that the telephone was a species of telegraph. He sustained his opinion by a quotation from Webster's Dictionary, which was published 20 years before the telephone was invented.

This decision was fatal to telephony in Great Britain. It was the basic cause of the muddle and state control.

The British Government had taken over the telegraph in 1869, and now, by

law, it was entitled to take over the telephone as well. From the moment of that decision the telephone was at the mercy of the Post Office.

The government had made a failure of the telegraph, but in Britain governments are not judged by results. All told, the government has taken a total loss of \$227,500,000 on the telegraph system. It is still losing at the rate of \$5,000,000 a year. But from the first it determined to control the telephone system.

At first, the Post Office granted licenses to 13 competing companies. One of these companies promptly swallowed the other 12. This company was required to pay 10 per cent of its gross earnings to the Post Office and to hold itself ready to sell out at six months' notice. As soon as it had built a system of long-distance wires the Post Office pounced down upon it and took it away.

Then the Post Office started a rival system of its own. This lasted only two years and collapsed. Then it offered licenses to any city that wanted to start a municipal system. Five cities made the experiment and failed.

From the first, the Post Office looked with a jealous eye upon the telephone. As everyone in Britain who is aware of the power and the policy of the Civil Service knows, Post Office officials do not want an efficient or widespread telephone system. It would decrease the prestige of the Post Office.

So the telephone system which had been built up by a private company was taken over and thoroughly postalized. It became the poor ugly duckling of the Civil Service, and it remains in this condition today. It has never had a chance to grow.

There were a few competent telephone engineers in Britain in 1911, when the government took over the system. These engineers were sacked. They were drawing more than \$3,500 a year. They were literally driven out of Britain. One went to Constantinople. One went to Chili. The others, I believe, went to the United States.

### Dominated by Politics

THE Telephone Department is now dominated by the Post Office officials. It is a subordinate branch of the Post Office, which is a branch of the Treasury, which is a branch of the government, which is controlled by majority vote in the House of Commons, which has 615 members, not one of whom, very likely, has any technical knowledge of the science of telephony.

The official standing of the head of the Telephone Department is that of Third Assistant Secretary of the Post Office.

In the political world, the telephone is of little consequence, as only eight per cent of the voters are telephone subscribers. It has no friends among the high politicians. If it wishes any favors or any rights, it is dependent upon the good-will of the Postmaster General, who is advised



by the postal officials. Actually, a technical business is being directed by non-technical men, who probably, have never seen the back of a switchboard.

Naturally, the Telephone Department does not want any help from outside experts. In 1914 I offered to help reorganize it without charging any fee, as I had then come to England to retire and had too much spare time on my hands. My offer was refused.

I was entitled to make such an offer, as I was a member of a committee appointed by the New York Telephone Company in 1911 to instruct five English telephone managers, who had gone to New York to learn telephony. I had been the sales expert of the New York Telephone Company and had written the official history of the telephone. But every offer that I have made to help the Telephone Department has been refused.

Telephone service is not even appreciated by the Telephone Department itself. It transacts its own business with the public by letter. It is managed by postal officials and it is sacrificed as far as possible to the Post Office. If telephony were to die out altogether in Britain, everyone knows that the Post Office would be greatly relieved. The postal officials would go with joy to its funeral.

When the Labor Party was in power in Great Britain, in 1925, the Postmaster General was a former coal miner. He knew nothing at all about the telephone system. In fact, it was discovered that he had no telephone in his own house. Yet he was for nine months in full charge of telephony in the British Isles.

### It Uses No Advertising

THE Telephone Department has no sales manager. It has no advertising manager. So far as I know, it employs no canvassers. Telephony has never been advertised. Consequently, it is not appreciated even by the business men of Great Britain. It is regarded as half a convenience and half a nuisance.

Even a Postmaster General, in a public speech once used the phrase "these confounded telephones."

When Walter Page was the American ambassador to Britain, he once told me of a conversation he had with the British Postmaster General.

"I told him," said he, "that he did not care a jot for the telephone system, that the Post Office would not develop it."

"I asked him why he didn't take his courage in both hands and abolish the whole telephone system."

During the last two or three years, a half-hearted attempt was made to improve the system. In 1924 it was decided to spend \$175,000,000. Automatic exchanges were to be installed and 118 new exchanges were to be built. But this plan has been halted for lack of money. There has been a deficit in the National Budget, and the Telephone Department was the first to suffer. To

bring the system up to the American level would require at least \$500,000,000 and there is no hope that such a sum of money will ever be voted by the House of Commons.

### Not Sufficiently Efficient

RECENTLY the postal clerks who run the Telephone Department have invented a new excuse. They now say, "We have reached a state of efficiency, but not of sufficiency."

The British telephone system is neither efficient nor sufficient. It has neither quality nor quantity.

Everyone who has telephoned in the United States or Canada or Sweden or Switzerland knows that.

In the whole situation, at present, there is only one sign of improvement. A committee of three competent business men has recently been appointed by the Postmaster General to reorganize the telegraph system.

The three members of this committee are Sir Hardman Lever, Sir Harry McGowan and Lord Ashfield. All three have had experience in the United States. They are efficient organizers.

When they put life into the dead bones of the Telegraph Department, there will be a general demand that they will work a second miracle and create an efficient telephone system in Great Britain.

An opinion is growing that the Telephone Department should be reorganized on the lines of the Port of London Au-

thority. This efficient body is half capital-

istic and half bureaucratic. It is ruled by a board of 29 members, of whom ten are appointed by the government and 19 are elected by the dock companies.

It is financed by private capital, precisely as though it were a private company. It makes profits. It pays seven per cent. And it has reorganized the whole dock system of London.

This Port of London Authority is no longer an experiment. It was organized in 1908. It has won the approval of all

of the dock companies and shipowners. This semiprivate company is now being held up as an ideal for the unsuccessful Telephone Department. If there were a Telephone Authority, instead of a Telephone Department, it could be financed by private capital.

It could engage competent business men and engineers to take the place of the postal clerks. It could, no doubt, make profits, give good service, and pay dividends.

There are, however, quite a few British business men who would prefer to have the telephone system taken over by a private company and run on American lines. The amazing figures of the American Telephone and Telegraph Company, the vast Bell System, has created a deep impression in Great Britain. It is now fully three times as large, in its assets, as the largest British company.

This one private American company owns and operates 17 million telephones, twelve times more than all the telephones in the British Isles. This fact has had a strong educational effect upon the British mind. Also, the British people have recently become aware of the activities of the International Telephone and Telegraph Company, of New York. This company apparently, has set out to organize efficient telephone companies in Cuba, Spain, Chili and other countries. "Why not in Great Britain?" ask many of the long-suffering telephone users of the British Isles.

The American telephone system is now the only large and efficient telephone system in the world. It has created telephony. It is the parent of the science. It has won the right, by its efficiency, to control the systems of other countries. It should, in my opinion and in the opinion of many others in Britain, be allowed to create a world-wide monopoly of telephone service, now that oceans and national boundary lines have been obliterated by wireless. As one London publicist, Mr. Sidney Mervine, says:

### Let the Best Do It

"If we look across the Atlantic, we see a commercial company managing both telephones and telegraphs and giving throughout the vast area of the United States a service which is incomparably more efficient than the service supplied by governments, either in Great Britain or in any other European country."

So, as the old Free Trade principle of Britain is to allow every nation to do what it can do best, the belief is making headway that the only solution of the telephone problem in Great Britain is to create either a Telephone Authority or a private company and put the control of it in the hands of the American telephone men. Any other solution, apparently, will be only a temporary expedient and a makeshift.



The head of the entire phone system was an ex-miner who knew nothing of phones

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This latest Map of the Air shows several important changes in aerial passenger routes since Nation's Business published the first air map in December. Chief among these changes are the new routes that have been placed in operation to Mexico, to the West Indies, and to Central America



WE MUST build for the future if we are to exercise genuine economy in our highway projects. Thus the farsighted planners provided a six-lane roadway on the new Delaware River Bridge between Philadelphia and Camden



H. ARMSTRONG ROBERTS, PHILADELPHIA

# There's no Need to Clog the Streets

By ALVAN D. MACAULEY

*President, Packard Motor Car Company*

**M**OST American cities today are suffering from a hardening of the traffic arteries. Physical and financial limitations imposed by enormous investments in great buildings lining narrow, antiquated streets preclude any adequate and extensive widening in the older business sections.

Our greatest cities are doing what they can to relieve congestion, to make their business streets and main boulevards carry more traffic with greater safety and less loss of time. But the cost is tremendous and the problem grows. Our older cities were never planned for today's motor population.

The crying need for wider streets, better pavements, and more adequate traffic control constitutes a real challenge to civic government. Parsimony and lack of foresight in dealing with this problem will only aggravate conditions in the future. Prompt, decisive action is needed.

Numerous national organizations are taking an active interest in striking at

the traffic congestion which menaces our modern American cities. The National Conference on Street and Highway Safety, of which the former Secretary of Commerce Hoover was chairman, has held two country-wide conferences to secure the adoption of uniform state motor vehicle laws.

Under the auspices of this Conference a committee on municipal traffic ordinances has prepared a municipal traffic code for national adoption.

The Albert Russel Erskine Bureau for Street Traffic Research, under the direction of Dr. Miller McClintock, has furnished numerous cities with consulting services on traffic regulation.

## Making Motorists More Careful

**F**OR a number of years campaigns against reckless driving have been undertaken by the National Safety Council as a means of awakening the public to the toll taken by individual carelessness and inadequate traffic facilities each year. The American Automobile Association,

through its influence with local clubs, is lending its support to the best thought now being developed on the situation.

The Federal Government through the Bureau of Public Roads has undertaken studies with respect to traffic congestion in metropolitan areas.

Statistics on automobile deaths are published every four weeks by the Bureau of the Census.

The National Automobile Chamber of Commerce has long been interested in traffic congestion from an economic standpoint and in plans to secure effective, co-operative action in solving this problem. The solution is worthy of the best brains available and generous financial backing. We must not only consider traffic conditions of today, but also those of the future.

Unfortunately, there is no single procedure we can use to free our cities from this multifarious evil—no one panacea to cure our traffic ills. The problems concerned are too new and are changing too rapidly to have developed, up to the present, any standardized solution or any



large number of expert students. The actual work in solving specific traffic problems must fall upon a limited number of experts. With so few outstanding men available and the work to be done so broad, there is a demand for trained men that presents desirable opportunities in this new field to youth of the nation.

Traffic engineering is already a worth while profession, and in the future there will probably be an even greater demand for men thoroughly trained in all phases of the subject. Universities and scientific schools would be the most logical places we could expect to have courses of training instituted in the scientific handling of diversified traffic problems. And in the near future it may be possible to secure a degree in traffic engineering which would qualify young men for remunerative positions. Every city of any size needs a traffic engineer to combat scientifically the conditions that are choking its transportation efficiency and endangering property values and the lives of citizens. Here is a specialized American problem which it is up to us to solve.

The intensive use of business property which has made American cities noted for their skyscrapers is responsible for a unique angle of our situation. In concentrating enormous populations upon a small ground area, heavy traffic peaks are automatically created during the morning and evening. "Rush hour" congestion to the extent that we experience it every business day is unknown in Europe.

#### Too Many Customers?

**L**IKEWISE, the gregarious habit of American merchants of locating in one section of the city complicates matters still further. Department stores in larger cities with a door traffic of 100,000 persons per day are an indication of what serious congestion results from this one cause alone.

With the tremendous and constant increase in motor vehicles of all kinds we face a problem that requires more than Police Department consideration and study. It should be the concern of every individual citizen, for it directly affects the prosperity of the entire community.

Yet, what are we doing about this condition which will sooner or later, unless vigorous steps are taken, reduce our streets to a state

of impassability—choked by the increased throngs of vehicles? With few exceptions, the problem of street widening—the primary means of relief—is being attacked timidly. Failure to vote appropriations and conflicts which arise from having scores of independent jurisdictions to contend with in attempting to establish broad policies on highway construction hamper work which should be gotten under way as soon as possible. Delay only makes more expensive the moves which will become inevitable eventually.

Chicago spent \$22,000,000 to build Wacker Drive—a double-deck thoroughfare eleven blocks long—and has found that it was worth every dollar invested. Providing a relief outlet for the congestion of the famous loop district cost millions because of the condemnation and destruction of buildings and the utiliza-

tion of expensive property. But it was vitally necessary. Cities with bottle necks through which traffic must pass before it has access to adjacent districts, face the same problem. Abolition of such bottle necks at any cost is the wisest and most profitable course.

#### Easily Saves Its Cost

**A**NOTHER improvement the Chicago Plan Commission initiated was the widening of Michigan Avenue and the construction of the Michigan Boulevard Bridge. The entire project cost, in round figures, \$16,000,000. When completed in 1920 it was estimated that the public saved \$2,000,000 annually in time and gasoline due to the relief from congestion which the new bridge provided. On this basis the improvement has already paid for itself and actually it has more than done so, inasmuch as an estimate made eight years ago is surely conservative in the light of Chicago's increased traffic.

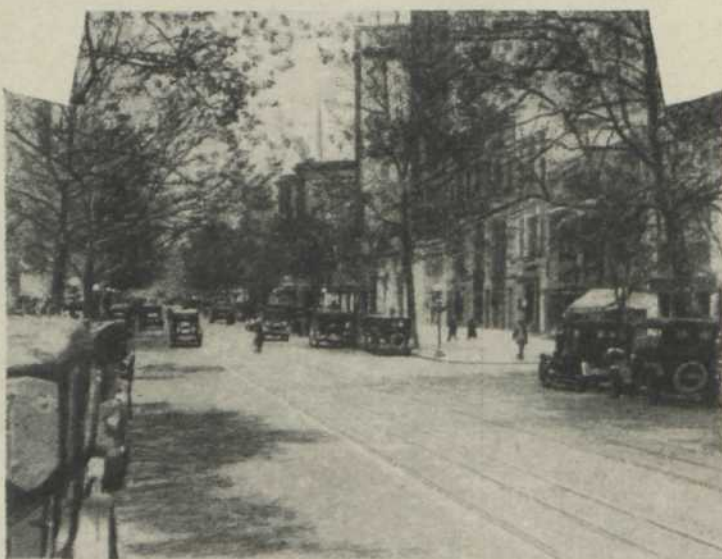
Philadelphia is another city which has ruthlessly torn out whole blocks of buildings in order to permit the construction of adequate traffic ways. It was seen that this would be less expensive than the huge losses resulting from inability to use the buildings and property in those districts because of absolute blocking off of traffic.

Important as the expenditure of funds in street widening is, there are other methods which cost nothing but the use of foresight and consideration. The day when through traffic was considered an asset is long past. For thousands of transient cars piloted by drivers unfamiliar with local ordinances to be debouched into the maelstrom of down town traffic is a direct reproach to the courtesy and common sense of a city.

Pittsburgh found through a survey that 20 per cent of the tourists questioned in the down town district did not want to be led through the local traffic maze. The by-passing of through traffic is one of the most easily accomplished and effective remedies of hardening traffic arteries.

Here the county highways can do much to relieve city streets.

Traffic lights have introduced a new means of control, but they are sometimes more of a hindrance than a means of progress. Primarily designed as a device to



**THE PROBLEM** of street widening too often is attacked timidly. A notable exception may be found in the nation's capital, where tree-shaded Connecticut Avenue was promptly widened from its old width of 50 feet to 80 when the ever-increasing flow of traffic made more roadway imperative





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# This Great New Six-Cylinder 1½ Ton Truck—\$545

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Combined with this increased power and finer performance are a wheelbase of 131 inches and a rugged 189-inch frame—providing a carrying capacity of 1½ tons, with load space up to 9 feet. Throughout the entire chassis are found basic improvements that contribute to its outstanding performance, economy and safety: perfected four-speed transmission . . . ball bearing steering mechanism . . . powerful, quiet 4-wheel brakes, with independent emergency brake . . . and a completely equipped instrument panel!

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CHEVROLET MOTOR COMPANY, DETROIT, MICHIGAN  
Division of General Motors Corporation

Q U A L I T Y                      A T                      L O W                      C O S T



increase speed with safety, their use often results in the very opposite—short sporadic spurts and stops between red lights instead of a progressive nonstop movement.

Until signals are coordinated so traffic may flow freely they are not being utilized with efficiency. Also their ill-advised use on remote cross roads robs a motorist of one of his most valuable assets and mocks his better judgment. In such places they merely proclaim a vogue and not a real need for regulation.

Parking is a practice open to regulation. The right of an individual to occupy valuable street space can be limited and, as in some cities, banned in certain districts. A fair-minded viewpoint of this problem is necessary. Parking ordinances can never be enforced without cooperation. The proper solution of the problem really rests with the individual.

However, the creation of two additional lines of traffic through the elimination of parked vehicles doubles the carrying capacity of a typical narrow street. It is often feasible to obtain this extra movement of traffic, especially if the district is crowded.

One-way streets fall into the same classification and New York, their great exponent, claims to handle traffic with greater ease by creating them. Traffic experts, however, are usually of the opinion that they should only be used when the street under consideration is narrow and the traffic heavy.

The repaving of narrow streets which it is not possible to widen frequently increases their traffic capacity by enabling vehicles to use all the available width from curb to curb. Cost is no object. As traffic increases the problem multiplies not directly but in geometric progression. Doubling the traffic does not double the problem, but makes it four times as difficult and expensive to solve. Thus procrastination and failure to act vigorously not only prolong but greatly increase the evils.

### We Need Better Planning

THE most logical way for a community to meet its present traffic requirements and to guard against a repetition of the same problem is to plan—and to plan intelligently and broadly. The reason for the failure of most cities to cope intelligently with their traffic problem is the absence in these cities of an adequate plan commission, hence of an adequate plan. A farsighted master scheme which visualizes future growth and guides development along proper lines is the best traffic insurance policy a city can write.

The Detroit Rapid Transit Commission has done just such a thing. Under the able leadership of Col. Sidney D. Waldon, and in cooperation with the City Plan Commission, the future traffic needs of the municipality for 100 years have been provided for in a definite master plan. During the next twenty-five years, in which Detroit is expected to double its population, the area to which it will expand will already have predetermined transportation routes. Super-highways 204 feet wide and major

three persons there is need to pause and think what conditions will be within the next twenty or thirty years.

Consider the indefinitely greater requirements in street and highway space. Think of the bottle necks that throttle the free movement of motor cars today in the light of traffic many times greater than we now can visualize. Not only will these conditions affect metropolitan areas but they will be manifest on rural roads as well. Yet new bridges are still being built considerably narrower than the pavement approach, which immediately forms a bottle neck for twenty-five to thirty years more. The twenty feet of difference between a forty-foot bridge and a sixty-foot pavement is a permanent obstacle in the way of realizing the full benefits of such a highway.

### Double-Deck Streets

HOW cities will meet the traffic problems of the future has already been forecast. After wider streets must come double-deck thoroughfares. Chicago and New York have them at present. Wacker Drive and Park Avenue point the way toward our next development in this way.

In connection with this problem new provisions will have to be made for pedestrians. Subways with escalators, at street intersections and overhead foot bridges are two proposals to eliminate the jams which occur when motorists and pedestrians try to use the

same street facilities at one time. Accident data indicates that 75 per cent of all accidents occur at street intersections.

Such plans may seem grotesque at first glance. The vastness of the problem is as difficult to grasp now as was the universal acceptance of the automobile two decades ago. To persons familiar with the problem no expense needs justification and any amount of thought and energy can be profitably directed in obtaining wider streets and more freely flowing traffic.

Obstruction in this cause of free traffic inflicts individual and collective injustices. All property owners should be vitally interested in this question for if the present valuable sections of cities do not adequately provide for traffic they will automatically kill themselves and these sections will depreciate in value while others will increase at their expense.

The present situation in Havana is an instance of this. The old Havana was a city of narrow, crooked streets. The new city developed alongside the site of the old city proper. The new city is now the one where realty values are

(Continued on page 208)



A. F. BEMENT, INC.

Chicago spent \$22,000,000 to build Wacker Drive and has found it was worth every dollar. Such double-deck highways must come as the next development after our wider streets

thoroughfares 120 feet wide will assure free movement of the increased future traffic.

The Chicago Regional Planning Commission has also provided for the future development of traffic. Correlating the activities of some thirty-one separate community plan commissions, of which the Chicago Plan Commission is one, its circle of influence extends into three counties in Indiana, three in Wisconsin, and into surrounding counties in Illinois. Thus work is being laid out today which will be invaluable in a few years.

"Zoning" laws become a necessity to prevent our streets from becoming dingy canyons lacking the proper amount of air and sunlight. "Building Set-Back" laws are being passed by many cities to provide wider streets in the future so-called crystallized areas. After having to wreck buildings to widen their streets, they realize how much a little wise foresight in legislation can accomplish.

Still more serious problems are to be faced tomorrow when it is considered that the average increase in population per decade is 14,000,000. With the use of automobiles in some states rapidly nearing the rate of one car to every



# Which of These Industrial Floors is the Profitable Investment?



Initially cheap—Ultimately expensive



Highest return per dollar invested—Masterbuilt



The 50% excess cost unjustified

**M**ANY a business learns, too late, that its capital investment in floors is far greater than necessary, and that the excess pays no dividends.

Many building owners install floors costing from 30% to 100% more than properly laid concrete floors, not realizing the proven capacity of Masterbuilt Floors to handle their traffic and operations efficiently. In most cases, the

amount spent beyond the cost of a Masterbuilt concrete floor is a permanent loss. Just as it does not pay to install an "excess investment" floor, neither does it pay to install a "cheap" floor, for such a floor is actually a liability.

Experience has conclusively proved that Masterbuilt concrete floors, dustproof, waterproof, have the permanence, economy and serviceability which formerly were

supposed to exist only in much more expensive types of floors.

Investigation of the facts has led to their adoption with very large consequent savings by such leaders as General Electric, Westinghouse, Parke Davis, J. C. Penney Co., Sears-Roebuck, Northwestern Terra Cotta, Pennsylvania R. R.

These concerns know that Masterbuilt Floors mean service with economy.

THE MASTER BUILDERS COMPANY, *Cleveland, Ohio*  
Sales Offices in 110 Cities      Factories at Cleveland, Buffalo, N. Y., and Irvington, N. J.



After thorough and critical investigation had proved that Masterbuilt Floors returned the most per dollar invested, The Firestone Tire and Rubber Company specified them for extended areas in their Los Angeles plant in place of a much more costly type.

Floor Contractor—The Kalman Co.

Send for this book "Plain Talk About Concrete Floors" which discusses the profitable floor investment.



# Two Sets

or

# Three?

*Lucky is the baby born of the modern, intelligent mother. While she dreams that her child will be a great man, perhaps President of the United States, she studies and plans for his health.*

ONE of the things this modern mother found out is that teeth, so vital to well-being, begin to form before birth. And that in order to give her baby good teeth her own diet must consist largely of eggs, fresh vegetables, fruits, whole-grain cereals and milk.

The first set of baby teeth is very important in its effect upon the second set and should be given the greatest care. When one of the little teeth is lost, before nature is ready to send out its successor, the shape of the jaw is likely to change in such a way that the second teeth will be crowded and come in unevenly.

Especial attention must be paid to the double molars of the temporary set. By good dentistry, these should be made to last until the tenth or eleventh year. And so, when her child is only four years old—hardly more than a baby—and thereafter every six months, the modern mother takes him to her dentist.

The first permanent teeth are called the six-year molars because they come in at about the sixth year. They appear behind the two

## Your Doctor will tell you

Poison from tooth infection may damage vital organs, may cause eye, nerve, or joint trouble, rheumatism, headache, or any one of a long list of serious ailments.

The expert dentist of today employs much of the wisdom of medical science; he uses real engineering skill and his work is often touched by the grace of artistry.

If teeth are lost, artificial substitutes can usually be made which will insure comfort, good appearance and efficient service. Without the latter, good digestion and therefore good health are impossible.

temporary molars, and can easily be distinguished by counting the double teeth on each side. If there are three double teeth in a row the back one is the permanent one.

These first permanent molars are the keystone of the dental arch and govern the position of all the later teeth. Coming in as they do in a mouth full of temporary teeth, they are frequently neglected and sometimes extracted as part of the baby set.

Good teeth do not just happen. They are built by food—like every other part of the body. First in importance comes the food the mother eats before her baby is born, then the food she gives him through babyhood, and finally the food that he selects for himself. Teeth are living parts of the

body and need the minerals contained in eggs, milk, vegetables, fruits and cereals.

Lucky is the baby whose mother has determined that he shall have such fine first and second sets of teeth that he will never need an artificial set.

A famous physician once made the statement "Bad teeth are the most common cause of physical breakdown".

Health scientists warn us that teeth should be watched not from the outside alone, but from the inside as well and that a tooth which has never ached nor shown decay may yet hide unsuspected poison. Dentists use x-ray photographs to tell the story. If the x-rays show

poison at the root that cannot be dislodged by treatment, perhaps the tooth should be extracted.

The Metropolitan Life Insurance Company will gladly mail its booklet, "Good teeth, how to get them and keep them," to anyone who requests it. Ask for Booklet No. 39-U.

HALEY FISKE, President.



**METROPOLITAN LIFE INSURANCE COMPANY—NEW YORK**  
Biggest in the World, More Assets, More Policyholders, More Insurance in force, More new Insurance each year

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But for the dreamers our world would still be in the age of stone, our women wearing animal skins instead of rayon

# I'm a Failure at Fifty

An anonymous confession

**T**WO years ago I was regarded as a fairly successful manufacturer. Today, at fifty, I am broke, jobless, deeply in debt, and with nothing but a providential prayer in my heart to meet the mortgage payment on my home that is due on the first of every month.

Lest my readers anticipate a tale of woe and self-commiseration, let me hasten to inject a quotation from the old Scotch ballad of Sir Andrew Barton, the bold freebooter of the Thirteenth Century:

"I am not dead!" Sir Andrew cried.

"I am hurt, but I am not slain,

I'll lay me down and bleed awhile,

And then I'll rise and fight again."

The one trait in human nature that I covet most is the calm, cool courage with which some people face certain disaster, without impairing their faith in God and in their fellow men.

I must confess, however, that for a short period when I saw the savings of a lifetime swept away, I could not quite measure up to my own ideals of calm, cool courage.

## I Face the Future With Faith

**I**T is pretty hard to grin under such circumstances, but now I am facing the future with more faith, more enthusiasm, and more cheerfulness than most people who have little or nothing to worry about.

Why?

Because I have grasped the fundamental law, which is as old as human thought, that success is the symbol of service; that is, if we forget self and do for others, then the law of compensation, without will or volition on our part, will

more than repay us for the efforts we put forth. By success I mean the everyday joy of living as well as the more substantial reward of dollars and cents.

All a failure need do to crown misfortune with folly is to lose faith in himself. That is the pitiful aftermath of most failures who toe the age dead-line in their efforts to reestablish themselves. They forget that their experience has a commodity value that can be acquired in no way other than through failure.

Failure is a by-product of business. Age and experience walk hand in hand along its highway. Its reclamation value should receive serious consideration in the employment policy and in the labor turnover problem of every industry.

Why should the human product of energy, knowledge, and experience be permitted to go to the scrap pile? Has it no salvage value in our industrial scheme of business? Why the early age dead-line to employment when business demands more brains than brawn, and when the essential factors to profit-producing are experience, maturity of judgment, and settled habits?

While science is reaching into all fields of by-products in an effort to turn waste into profits, the economic value of the human by-product, so styled because of age or failure, has not received the consideration it should have from astute employers.

There are many reasonable causes for the failure of an average intelligent man in business, and it seems strange that in our industrial system there is so little disposition to utilize the ripe experience of men who have been the unfortunate victims of cumulative problems.

If I am questioned by what right I, as a failure, challenge the dictum of successful business executives, may I answer that perhaps only a hairline of circumstance separates many of my readers from failure, and that some unforeseen contingency may be developing beyond the ken of your knowledge or control that may fasten its talons in some weak spot of your business structure; or that if your business were shaken down to actual marketable valuations at a forced sale it might not be possible for you to show your banker a balance sheet that would entitle you to continuance of credit, or justify you in assuming a superior business acumen to the man who through accident and misfortune has failed in some business venture of his own.

## A Question of Qualifications?

**I**T might be assumed that I did not possess the qualifications necessary to succeed else I would not have failed, and yet a summary of my qualifications taken from the voluntary testimonials of former business associates speak of me

as a man with initiative, originality, vision and energy; ability to collect facts, analyze, and present them in a forceful and conclusive manner; a good advertising writer and publicity man; a splendid office executive, with a pleasing personality, resourceful, and with great capacity as an organization director; alert, vigorous, progressive, and a man with ability to put over a proposition to the public in which he believes.

To what, then, do I ascribe the cause for my failure?

The telling of these causes may be of constructive value and may serve as guideposts to others:

1. Lack of precaution to have an audit



and appraisal made of the business into which I put my money;

2. Putting a supposed friend into a position of responsibility, in which he violated my trust.

3. Lack of sufficient operating capital, which is a chronic business disease;

4. A board of directors, whose members could not cooperate;

5. Banking connections that were fine in fair weather but unreliable when the storms came.

I realized when it was too late that if I had exercised ordinary prudence in having an audit made of the records and an appraisal of the physical assets, I would never have invested any of my money in the defunct concern.

When a concern such as mine finds itself in a financial jam, whether from overproduction or from the lack of orders, all avenues of escape seem closed. The local banks call their loans after refusing even temporary relief; the directors because of their personal indorsement on company paper become alarmed and scuttle to save themselves at the expense of the business; bond issues, as a rule, are too costly for the average business house; mortgage loan companies are exceedingly chary of loans on industrial property; and home investors are usually loaded to the hilt with the corporate stock of their various home enterprises.

### There Is a Way Out

**Y**ET, despite all these deterrent influences facing the business executive who needs additional capital to insure successful operation, there is always a way out, provided the values reflected in his balance sheet are attested to be true and conservative over the signature of a reputable firm of auditors.

I might have overcome the loss sustained by my failure to insist on an audit and appraisal if I had squarely faced the danger of insufficient working capital and personal indorsement of the firm's paper.

A large percentage of our industries, on the authority of a prominent banker, lacks sufficient capital for successful operation. One prominent statistician says it is the cause of more failures than all other causes combined.

It has been the common practice for business organizations to build, as well as operate, on money obtained through local banks on notes bearing the personal indorsements of their officers and directors, so that in every community there is always a small group of men who carry on their shoulders, as personal liability, the entire indebtedness of the industrial activities of the community.

These bank loans, to a large extent, represent capital that has been invested in

fixed assets, such as land, buildings and machinery. This class of property should be its own pledge through a financial plan that does not cramp the company's ability to make emergency operating loans in time of need, and which also does not

call on a few directors and officers to stake their individual fortunes on the success or failure of the business.

If one single cog slips in this wheel of personal indorsement between the company, the banks making the loans, and the individuals indorsing the paper, catastrophe is inevitable, not only to one firm or one individual, but to many.

There is an ever existent danger for the business that depends solely on the personal indorsement of its officers and directors, for on some unforeseen day, for some cause that may now appear remote and unlikely, the business may be faced with the ultimatum of taking up its loans or being forced into liquidation.

These causes are always sudden and unexpected. Death, dissension, or financial reverses in the directorship, or the inability or the unwillingness of the banks to carry this "frozen" paper, may convert a healthy, going concern into a grim and ghastly reminder that this practice of personal indorsement has caused you to overlook your duty to protect and safeguard your home and family.

Let me urge you business men who are resting in fancied security to give immediate consideration to the modern financing method of placing certain obligations where they belong—against the property itself, through security issues, and thus relieve yourself of the personal liability on bank loans which jeopardize

the fixed assets and the future of the business.

Notwithstanding my financial failure, I had the temerity, not long ago, to urge an executive of a large textile organization to consider certain action in regard to refinancing his business. He replied that while his business was being operated on a shoe string capital, it was wonderful how elastic that shoe string was, and as for my proposition he did not have time to chase rainbows. I answered:

"Yes, you're right, for in one sense the term, 'rainbow-chasing,' is wasted time and effort; yet in another sense, you're wrong, for if it were not for the dreamers of the past, or 'rainbow-chasers,' the world would never have been civilized beyond the ages of fire and stone, and instead of our women wearing your rayon fabrics they would still be clothed in the skins of wild animals. Your mills owe their existence to some dreamer's 'rainbow,' and the dreamers of the present will devise ways and means to justify the future existence of your plant as a necessary unit in the progression of our industrial life."

### Revised His Advice

**O**NCE upon a time, in my callow days, I wrote a booklet on "How to Get a Job and Keep It," and, strange to say, I was able to sell it to a large textbook publisher. Now, after twenty years of ups and downs, I can offer just three words of advice to youth that are worth infinitely more than the booklet's entire contents, "Save and Specialize!"

Waywardness as to purpose is chiefly responsible for our failure in individual and industrial life to achieve success, no matter in what form it is most desired. We have no definite goal, no philosophy to carry us to a period of contentment.

But why should the business failure, or the man whose hair is frosted by a little age, be blackballed by some industrial executives who, by the grace of God, have made no failure detours?

The very highest posts of honor are filled by men, chosen not because of their youth or biceps, but for their settled maturity of judgment and ripeness of experience; yet a business failure, or man of advanced age, with the same qualifications, faces a situation where his assets must be auctioned off, if indeed he can get a bid at all.

This is so, in my opinion, only because big executives have made no careful analysis of the subject, and also because there is so little opportunity for contact between such employers and men who have ability of special type that was gained at dear cost.

The head of a large employment agency explains:

You know that it is usually a hard matter to handle properly the promotion of your own  
(Continued on page 131)



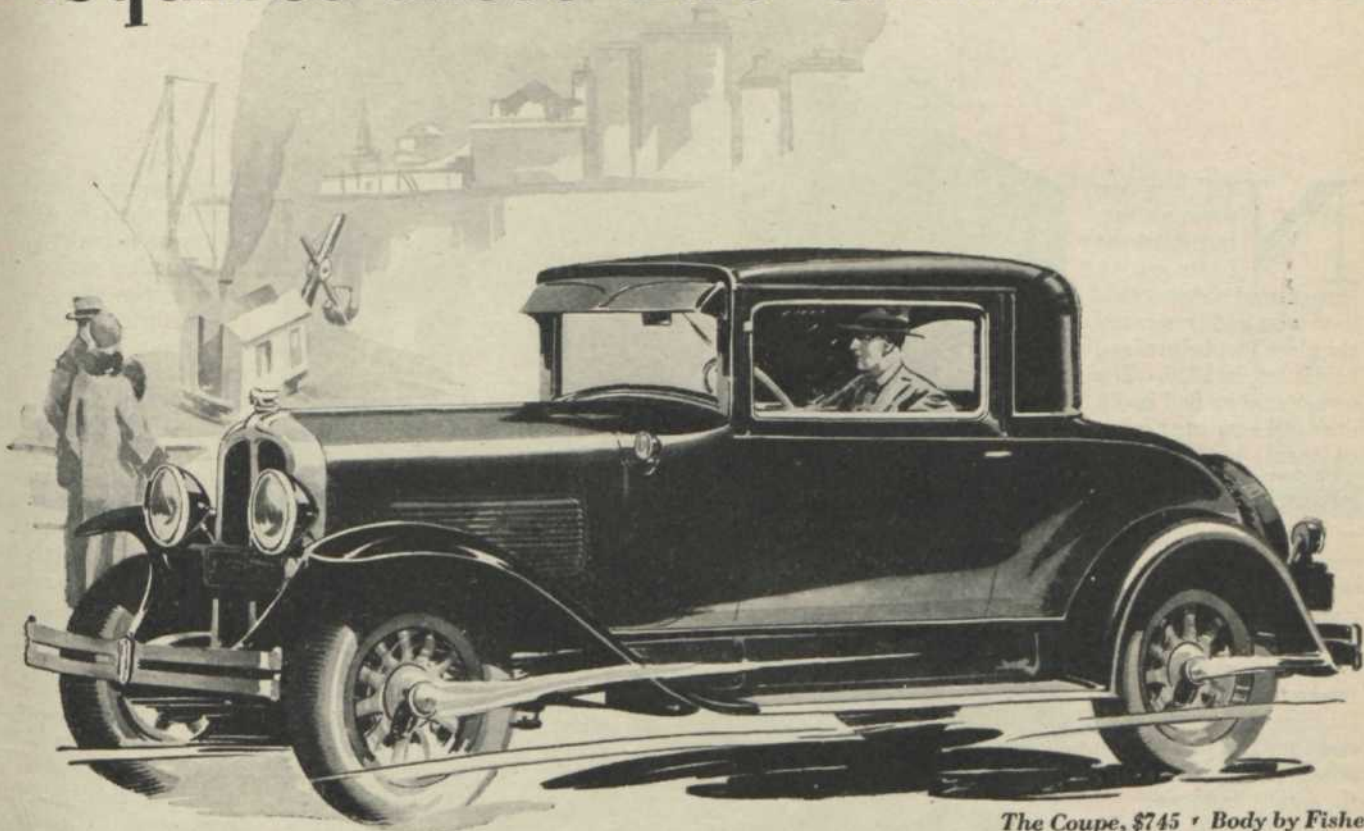
My banking connections were fine in fair weather but they proved unreliable when the storms came



What of your credit if your business were reduced to its valuation in a forced sale?



# Economy in Cars for Business Requires these BIG CAR Features



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Executives interested in improved business car performance will find the New Pontiac Big Six unusually well adapted to their requirements. It has the big car dependability and big car sturdiness so essential to steady, uninterrupted service. Its powerful L-head engine—its dynamically-balanced, counter-weighted crankshaft with the Harmonic Balancer—its bigger, sturdier rear axle—its wider springs and many other points of new, big car quality are a splendid guaranty of long life, low depreciation and economical operation.

Still another important factor is the ability of the New Pontiac Big Six to win the respect and approval of the man at

the wheel—to secure and hold that friendly consideration and attention on the part of the driver which does so much to prolong the life of any automobile.

Ask the nearest Oakland-Pontiac dealer for a demonstration, or arrange one through the Fleet Department at the factory. Let us tell you about our Fleet User's Plan and about the many features of new motor car value offered by the New Pontiac Big Six. No other car in the field of low-priced sixes offers so much to the buyer of automobiles for business use.

*Prices \$745 to \$895, f. o. b. factory, plus delivery charges.*

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**THE NEW**  
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**BIG SIX - \$745**

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# The Farmer's Horizon Brightens

By F. D. FARRELL

President, Kansas State Agricultural College

**N**OT long ago some visitors inspected the farm of an agricultural college graduate who had purchased the place just before land prices fell in 1920. The owner said he had had a struggle to make his payments but that now he could see his way out and was happy. His colonial farm house recently had been painted white. The window shutters were a cheerful green. The farmer's wife in discussing these improvements made a significant remark. She said they had painted the house for the benefit of the family's morale.

The remark suggests an important spiritual and mental quality that people must have to surmount difficult obstacles. On this farm there have been obstacles aplenty since 1921. The farmer and his wife are facing their problems with clear-eyed courage. Their fine spirit is expressed in what is being done with the fields, the crops, the live stock, the home, and the family of six children. They recognize, as an important part of their problem, the maintenance of a joyous, fighting spirit and they are proceeding consciously to maintain that spirit. They are succeeding because of their fine morale.

The dictionary defines morale as "a mental state which may make a man or a body of men capable of endurance and of persevering courage in the presence of danger, fatigue, or discouragement." Morale is rated high among the qualifications of soldiers and sailors in time of war. It is equally important in the difficult enterprises of peacetime, when men struggle to gain or to hold a place in the sun.

There are numerous methods of building up morale and numerous other methods of breaking it down. It is said that



H. ARMSTRONG ROBERTS

**EVERYBODY** knows that the agricultural situation is a sufficiently difficult one. But it is not as bad as has been reported. The true picture of the situation is not all shadow; the bright spots have increased in the last few years

a certain British general for the sake of morale required his men on the western front to shave every day. Constant repetition of bad news or of unfavorable rumors tends to destroy morale. On the other hand suppression of bad news may weaken morale by arousing suspicion.

## Should Know Both Sides

**T**HE British learned it was better to publish the facts regarding submarine depredations than to suppress them. A person needs to know both favorable and unfavorable facts if he is to avoid overconfidence on the one hand and discouragement on the other.

Morale is important whenever struggle is necessary. In our intensely competitive society the necessity to struggle is seldom absent. At times the struggle

is more acute in some industries than in others. It has been particularly acute in most agricultural industries since 1920.

The farmer may find it uncommonly hard to maintain his morale in time of trouble for the reason that his business is invested with great public interest and, hence, easily becomes the subject of heated political discussion, with all the emotionalism and special pleading that that implies. Numerous speakers and writers, actuated perhaps by fear for the safety of the business structure, by a desire to be sensational, or by selfish political motives, tend to magnify agricultural distress and to understate or ignore the favorable aspects of the situation.

This sort of thing, when continued, as it has been during the past nine years, aggravates the spiritual depression to which agricultural distress naturally gives rise. This tends to weaken morale among farm people and makes it more difficult for them to surmount the obstacles that lie in their path.

Everybody knows that the agricultural situation is a sufficiently difficult one. But it is not as bad as has been reported. The true picture of the situation is not all shadow and the bright spots have increased materially in the past three or four years.

Three of the main points about which there has been and still is a great deal of calamitous talk are price relationships unfavorable to agriculture as measured by the purchasing power of farm products; the movement of farm population to the cities; and an alleged deterioration in the quality of the farm population.

A brief consideration of these three points may help to give a better balanced and more temperate view of our basic industry than one gets from either



# Burroughs



## Typewriter Bookkeeping Machine

Burroughs Typewriter Bookkeeping Machine combines ordinary typewriting with many automatic features that make posting simple, fast and accurate.

It posts several related records at one time—such as statement, ledger and full width proof journal; and accumulates the totals necessary for a positive proof of correct posting.

Such features as automatic selection of columns,

automatic alignment, automatic punctuation, correction key, electric carriage return and the printing of the complete balance with a single key depression—all result in less fatigue, fewer errors, less operator turnover and greater production.

Call the local Burroughs man for more information or a demonstration on your own work. Or check the applications that interest you.

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Gentlemen: Please send more information about the Burroughs Typewriter Bookkeeping Machine on the work I have checked.

### Distribution ☐

Labor—materials—purchases—sales  
—expense—cash

### Accounts Receivable ☐

Ledger and statement in combination  
—ledger and end of month statement—  
with or without carbon—  
skeleton or itemized

### Accounts Payable ☐

Ledgers with or without remittance  
advice—Journal-voucher system in-  
stead of ledger—including registra-  
tion of invoices

### Stock Records ☐

Of quantities—values—or both quan-  
tities and values together

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As shown on stores records, payroll  
and distribution summaries, cost  
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By clerks and departments, cash,  
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Complete typewritten description and  
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**ADDING · BOOKKEEPING · CALCULATING AND BILLING MACHINES**



the unreasoning optimists or the inveterate pessimists.

For a time, price relationships were exceedingly unfavorable to the farmer. Difficulties resulting from the low purchasing power of farm products were acute. But that condition did not persist unchanged for long. Economic forces would not permit it to do so. The following figures show the purchasing power index by years since the trough of the depression in 1921, in terms of the average purchasing power of farm products during the five years immediately preceding the World War (that average being expressed as 100):

Year	Purchasing Power of Farm Products
1921	69
1922	74
1923	79
1924	83
1925	89
1926	85
1927	86
1928 (January)	91
1928 (June)	95

These figures show a marked improvement in agricultural price relationships. They show the situation for farm products as a whole. Several important products like wool, butter, flax, and, recently, beef cattle and hogs, make a better showing than indicated above when considered individually. Several others, of course, make a poorer showing when so considered.

There is nothing in these figures to show that "American agriculture is on the rocks," as is often asserted. On the contrary in so far as indexes of purchasing power are significant—the figures show a marked recovery in an industry that is definitely a going concern.

Some people who express pessimistic views of agriculture place heavy emphasis upon the fact that many people leave the farm to go to the city. They point out that about two million people have made this move annually in recent years. But they seldom call attention to the fact that during each of the same years more than a million people have made the opposite move.

Obviously there are people who become dissatisfied



H. ARMSTRONG ROBERTS  
More than 600,000 farm boys and girls have enrolled in 4-H clubs

the latter. The figures here quoted are from reports of the United States Department of Agriculture:

Year	Number of People Moving From Farm to City	From City to Farm
1924	2,075,000	1,396,000
1925	1,900,000	1,066,000
1926	2,155,000	1,135,000
1927	1,978,000	1,374,000

The recent reduction in rural population is both inevitable and desirable quantitatively. It is inevitable because the increase in the individual efficiency of the American farmer makes it possible to sustain or even to increase agricultural production in the face of reduced farm population. It is desirable because it provides an increased labor supply for

with urban occupations and city life just as there are people who tire of farming and rural life. When five million people leave the city for the farm in four years—as the table below shows—it is reasonable to assume that farm life is more attractive to many of them than are the bright lights of the town. The number of people who engage in farming because they like it might astonish those who compare the city with the rural community to the disadvantage of

the ever-growing number of productive enterprises in the cities, increases the number of urban consumers of farm products, and leaves on the farms fewer people to share the wealth produced there.

Whether the reduction of rural population is desirable qualitatively involves an assertion that is made in various ways. One publicist in the Corn Belt has been quoted as saying that all the "good ears" have gone to the cities, leaving only "nubbins" in the rural districts. Another in a state where the fishing is good is reported to have said that the "trout and bass" have deserted the rural districts, leaving only "chubs and suckers."

Anyone who grew up on a good farm, who has kept his contacts with farmers and noted the improvements of the past 30 years in the comforts and conveniences of farm life and in the intellectual status of farm people, will doubt these statements.

### More Culture in Farm Life

HE might wonder whether the disparagers ever attended a 4-H Club Round Up at an agricultural college; whether they know that more than 600,000 4-H Club boys and girls in the United States are engaged in a movement that is developing youthful leadership for the most intelligent rural culture the world has ever seen; whether they ever attended an annual meeting of one of the many good county farm bureaus and noted how many able men and women, many of them college graduates, take part in the programs.

One sometimes wonders if some of the disparagers of rural people associate good clothes with intelligence and fine spirit.

Farm people often are less adorned sartorially than their city brothers, though they rapidly are catching up in this respect. The farmer has less need to "put up a front" than the business or professional man. When the farmer "dresses up," as he does increasingly, he does it from choice and not from business or professional necessity.

Ample evidence against the theory of deterioration is supplied by the marked improvements in the economic and social behavior of the rural population. In the past decade or two there has been a remarkable increase in the farmers' economic efficiency. Indeed, that has been increasing steadily since about 1850. In that year the average area of land cultivated per farm worker in the United States was 12 acres. In 1920 the corresponding figure was 34 acres. In Kansas, in the latter year, the figure

(Continued on page 158)

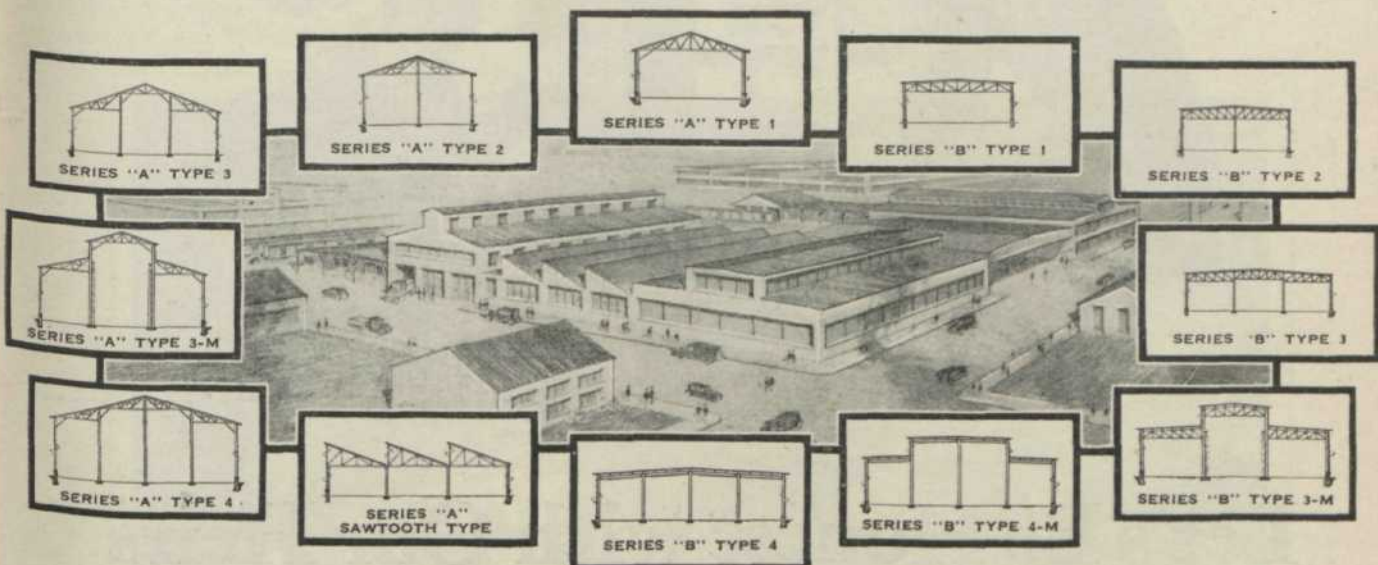


H. ARMSTRONG ROBERTS

The number of people who engage in farming because they like it might astonish those who speak disparagingly of rural life



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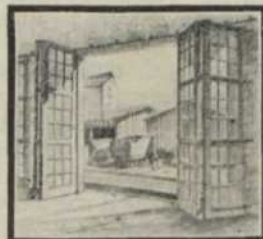
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*Inquiries are solicited. Our service is nation-wide.*



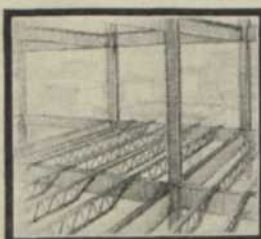
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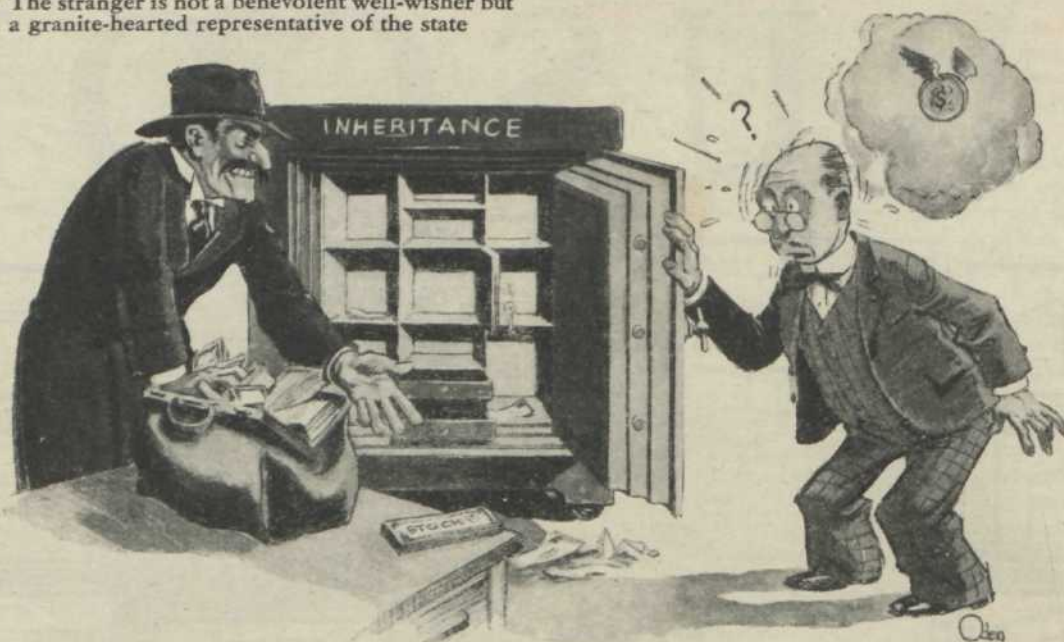
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The stranger is not a benevolent well-wisher but a granite-hearted representative of the state



# Let's Be Honest with Our Heirs

By BLAINE F. MOORE

*Finance Department, Chamber of Commerce of the United States*

Cartoon by Richard Oden

**E**VEN before some one coined the epigram, "You can't afford to die without consent of counsel," there was a growing public attention to inheritance taxes.

Almost everyone has an interest in them. Potential testators fidget under the inevitable certainty that some fine day their own vines and fig trees will come under the hammer of an inheritance tax appraiser.

Potential heirs live always with the buoying possibility that a distant Uncle George, unheard of for lo! these many years, may without a moment's notice confer upon them the envied luxury of worrying about inheritance taxes.

Though neither coupon clipper nor heir apparent to a fortune, the "good citizen" who wants others to pay their full share of the cost of government has a definite interest in inheritance taxes, in so far as they relieve by a single jot or tittle the burden of taxes upon property he owns or upon income he earns.

No one can afford to be contemptuous of inheritance taxes. Just remember that when the messenger boy brings that telegram saying

"UNCLE GEORGE DIED LEFT YOU MILLION"

that the stranger in the offing is not a benevolent well-wisher come to felicitate you upon your good fortune or to exchange wildcat stock for your money, but is a granite-hearted representative of the state, ready to apply his inheritance-tax scalpel to your budding million.

Practically speaking, an inheritance tax

is nothing more than the state's final share from some one's life accumulation. The fact that 45 states levy such taxes reflects a widespread reliance upon the practical utility of such taxes in the raising of revenue, irrespective of whether or not they are sound in principle.

## The State's Moral Right

**A**LTHOUGH there are some dissenting voices, the legislatures of the states long have tried to establish that a society which protects property has a moral right to share in it to a reasonable extent when the individual who has amassed or enjoyed it no longer has a mundane use for his possessions.

Apart from any debatable questions concerning the principle of death dues, many of the difficulties incident to this form of tax arise from the systems under which it is administered. The diversity in the laws of the states is confusing. Criticism is directed also against the scarcely defensible practices by which heirs suffer annoyance, frequently expense disproportionate to the tax involved, and at times losses in capital.

The principal current objection to the existing order of inheritance taxation is concerned with the situation surrounding the taxation of a single type of property, intangible personality—more familiar to the layman when called by such common names as stocks, bonds, money on deposit in banks, or other credits.

The reason why so much trouble grows out of the taxation of this one class of property is apparent. It is the only class

subjected in practice to extensive multiple inheritance taxation.

Real estate presents no interstate inheritance tax problems; it may be taxed only by the state in which it is located. Similarly, there is no longer multiple taxation of tangible personal property; recent decisions of the United States Supreme Court permit it to be taxed only where it actually is located at the time of the owner's death.

Such safeguards, however, have not been reared to protect intangibles from multiple taxes. Although each of the numerous laws out of which multiple taxation of intangibles arises has been defended ably in principle, their cumulative effect has been chaos. Take a typical case:

## The Thrice-taxed Dollar

**A**MAN died leaving an estate of a magnitude sufficient to make it subject to inheritance tax. It included real estate, such tangible personal property as a library, works of art, house furnishings and automobiles, and a considerable volume of stocks and bonds.

Each parcel of real estate was taxed where it was located; well and good, since it was taxed only once.

The same rule applied to the works of art and other chattels, each being taxed by the state in which it was located.

But the situation of the intangibles was unfortunately less simple. Under the almost universal practice observed until a few years ago the investments first were taxed by the state in which the owner



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With sincere respect for your experience we ask your consideration of our truck . . . Set your own

value standards . . . Fix on the speed you need, the power, the truck life . . . Set up your ideal for size, price, appearance, performance . . .

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These Trucks, Buses and Motor Coaches have always been powered by Dodge Brothers engines. For years they have been built of Dodge Brothers parts in Dodge Brothers plants according to Dodge Brothers standards.

These Trucks, Buses and Motor Coaches are sold, as they always have been sold, by Dodge Brothers Dealers everywhere.

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wheelbase . . . . .	\$ 665
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wheelbase . . . . .	775
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1½-TON—165" wheelbase . . . . .	1415
2-TON—150" wheelbase . . . . .	1515
2-TON—165" wheelbase . . . . .	1585
3-TON—135" wheelbase . . . . .	1745
3-TON—165" wheelbase . . . . .	1775
3-TON—185" wheelbase . . . . .	1845

Chassis f. o. b. Detroit



lived. Since they represented a portion of the capital of corporations chartered in other states, those states also levied taxes. When the owner died, the stock certificates were reposing in a safety deposit vault in another state. It also established a taxable interest. There even have been instances in which additional states, in which were located real property owned by corporations in which a man had invested his money, undertook to collect taxes.

Thus there were several grounds upon which a number of states sought to justify numerous taxes upon the same capital value. Regardless of the palpable inequality of taxing a dollar invested in securities much more heavily than a dollar invested in real estate or a collection of first editions, there was the defect of the heirs having to "clear" the estate in every state claiming a tax before they could obtain title to their property.

### An Expensive Business

**T**HIS was expensive business, paying for the expert assistance necessary in appraisal of assets, preparation and filing of reports and determination of finely poised legal points bound up in the question of tax liability in each state.

A practical remedy, surprisingly simple in view of the complicated situation, was hit upon in 1925. Irrespective of claims which they could sustain legally against nonresidents' estates, the four states of Pennsylvania, New York, Massachusetts and Connecticut agreed to establish a system whereby each would forego taxing the intangibles in the estate of any person resident of another state which conferred a similar exemption upon nonresidents.

This came to be known as the reciprocity movement. Its common sense was so obvious that by the end of 1928, 23 states, the District of Columbia and the Canadian province of Ontario enjoyed the benefits of reciprocity. Its advantages accrued to states having no inheritance tax at all, those levying no tax whatever on intangible personal property of nonresidents and those with a reciprocity clause in their inheritance tax statutes.

### Reciprocity Was Well Supported

**T**HE effectiveness of this remedy appealed so strongly to various national organizations having an interest in the subject that they backed it enthusiastically, recommending that it be extended as rapidly as possible to the remaining states of the United States and to foreign countries, a somewhat similar situation of multiple taxation having developed in the international field.

These organizations were the Chamber of Commerce of the United States, the National Tax Association, the Investment Bankers Association, and the American Bankers Association. They are now conducting a campaign to encourage enactment of reciprocity statutes by the 25 states not yet in the American reciprocal fold.

An interesting phase of the movement

to establish reciprocity on a national scale has been the widespread interest manifested by business organizations in such an ordinarily technical subject. More than a hundred state and local chambers of commerce and trade associations have been so attracted by the possibility of disposing, once and for all, of the vexatious question of multiple inheritance taxation that they have gone into the legislative arenas at home to urge consideration of this practical reform.

The extent of these local activities by business agencies in the 25 nonreciprocity states is disclosed partially by the fact that, three weeks after the 1929 state legislative sessions had convened, bills had been introduced in 11 of them to make the necessary amendment of existing laws.

Early in February measures were pending in Arizona, Arkansas, Indiana, Michigan, Montana, Nebraska, North Carolina, South Carolina, Texas, Washington and West Virginia. Efforts also were under way in 12 additional nonreciprocity states to obtain legislative consideration of the subject this year. Thus, consideration, if not affirmative action is probable this year in all but two of the 25 nonreciprocity states.

### Benefits Are Indicated

**B**ENEFITS which the enacting states expect to derive from passage of these measures are indicated in some of the bills. The Arkansas proposal, for instance, expresses the opinion that the state will benefit from the freer movement of capital toward investment in Arkansas corporations once the inheritance tax laws affecting nonresidents have been modernized in conformity with the movement for nation-wide reciprocity.

Although extension of reciprocity to a nation-wide basis represents probably the largest single step which could be taken to resolve long-standing difficulties with the inheritance tax, nevertheless there are other improvements which would tend to diminish the expense and annoyance incident to the settlement of estates without decreasing appreciably the revenues from this form of taxation.

First among these potential improvements might be listed a changing of the present succession or distributive taxes to estate taxes.

Again, provisions might be made for the payment of taxes in instalments in order to avoid forced liquidation of properties.

Finally, the rates of tax could be stabilized at a uniform, low level.

Most of the inheritance taxes now imposed are in the form of a succession tax upon the several shares into which an estate may be divided. Usually the rates of such a tax are graduated in two ways, one according to the degree of blood relationship between the testator and the beneficiary, the other according to the amount of property involved. Under such systems, the rate for a distant beneficiary is larger than that for a direct heir, and the rate upon a large share is higher than that upon a small one.

The estate tax, the type used by the

Federal Government, has some obvious advantages over the succession tax since it avoids many administrative and substantive difficulties, particularly those growing out of life estates and remainders. It also permits simplification of the tax structure and of the administrative work involved, since under an estate tax, in which the levy is made upon the entire bulk irrespective of to whom it is bequeathed, the rates may be graduated upon only one basis, that is, according to the total net taxable value of the estate.

The desirability of extending the period of one year now usually prescribed for the payment of inheritance taxes is easily apparent.

Few estates include large liquid assets and forced payments within such a relatively brief time frequently have caused serious losses of capital value and, in some cases, even dissolution of businesses. Extension of the time would permit payments to be made largely, if not entirely, from income.

The question of the rate of an inheritance tax long has been debated, but the consensus seems to be that, regardless of the pressure upon the taxing jurisdiction for more revenue, the rates of inheritance taxation should in no case be pushed beyond a strictly moderate level. It is a tax upon capital, and excessive rates bring their own train of dangers and social ill effects.

There probably is greater necessity for year-to-year stability in the rates of inheritance taxation than in the case of any other tax now levied. Since this tax is paid only once, frequent changes in rate result in discriminations which are permanent in their effect. Such changes likewise prevent the prudent individual from calculating accurately during his lifetime the burden which may be placed upon his estate and thus prevent his making adequate provision for the payment of such a tax. Under no circumstances should such a capital tax as the inheritance tax be relied upon as an elastic element in any taxation system.

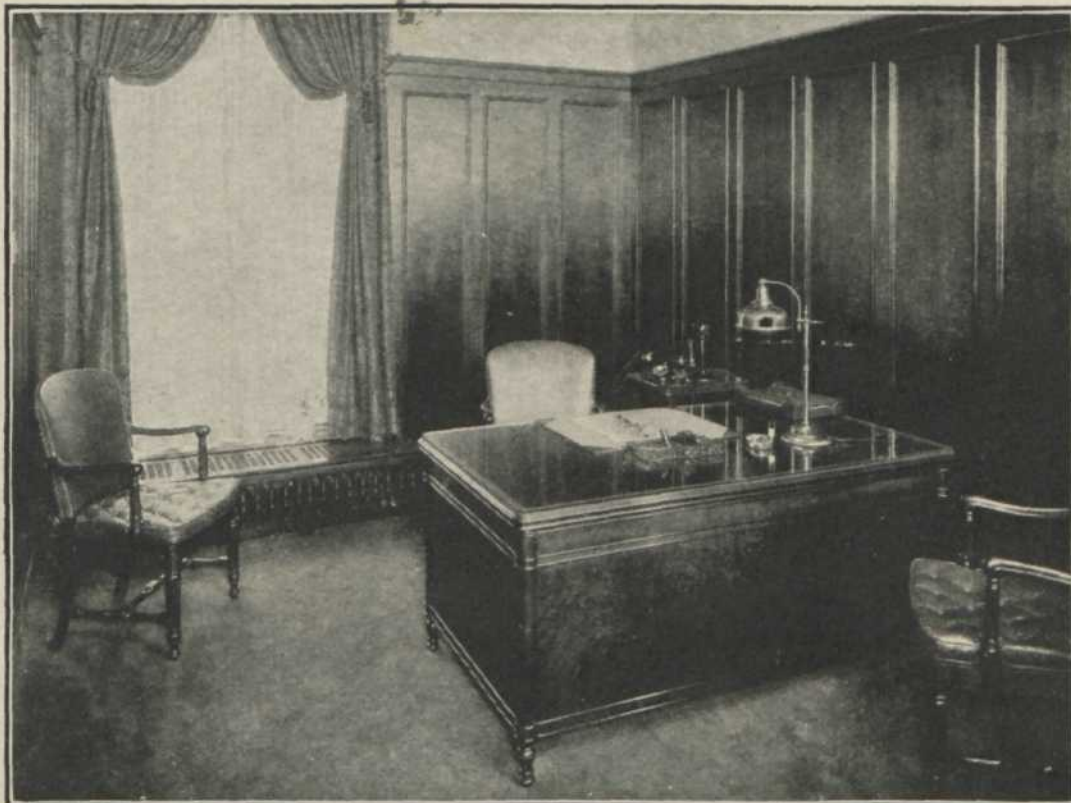
### Difficult of Attainment

**A**LTHOUGH difficult of attainment, because of varying revenue needs of the states, nation-wide uniformity in rates, which is quite as desirable as uniformity of inheritance tax laws and administrative practices, would be a distinct improvement over the existing situation.

These proposed improvements—particularly that dealing with reciprocal exemption of the intangible personal property of nonresident decedents—would remove from inheritance taxation the major administrative difficulties with which it now is beset. They would result in simplified administration, reduced expense, elimination of annoyance to heirs, and preservation of capital values. They would contribute substantially to the ideal condition of letting every individual prior to making provision for disposition of his property, know the approximate charges to which it would be subjected upon his death.



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# Cooperation Builds an Empire

By T. A. HAYDEN

*Assistant Engineer, Salt River Valley Water Users' Association*

**T**HERE is a widespread impression that the farmer will not or cannot "stay put" over a long period of time in any cooperative activity, an impression held to be particularly true as the cooperative association increases in size and covers larger geographical areas.

But in the Salt River Valley of Arizona is an association of 7,000 farmers, operating 9,000 farm units of an area of a quarter million acres (more than 400 square miles)—an association that has been successfully maintained for more than 25 years. This association has been instrumental in creating a project developed through a \$25,000,000 investment, it has made possible a fast-growing community of 120,000 people. And it owns and operates a hydroelectric power system yielding an annual income of more than \$2,000,000, merely as a side line to its main business of irrigation. All these things have made the project world famous and have given the Salt River Valley Water Users' Association a standing and credit unexcelled in the financial world.

How did these 7,000 farmers get together and how did they manage to stick together, when so many similar farmers' organizations have failed?

To answer this question we must go back 25 years to the formation of the Association. In 1902 farming in Salt River Valley was, except for the oldest settlers, who had first call on the available irrigation water, a precarious proposition. The total rainfall was only a few inches a year. Farming, therefore, was impossible without irrigation. In wet seasons the Salt River, the source of the water supply, would carry large quanti-



**THE LIFEBLOOD** of the great agricultural empire of the Salt River Valley comes from the huge Roosevelt Dam and its auxiliary Horse Mesa Dam, shown below

ties of water and the irrigated areas would be extended to the utmost. In dry years perhaps there would be enough water in the Spring to start crops on all land under irrigation, but when Summer came on there would be only enough for the older lands which had the first right to it.

In the rough mountains 70 miles east of Phoenix, on the Salt River, there was a wonderful site for a storage reservoir.

If a dam could be built there, enough water could be stored and held over from the run-off of wet years to furnish a plentiful supply in the dry ones. But how to build the dam? It would cost nearly \$4,000,000, at that time a vast sum in private finance.

## The Birth of the Cooperative

**H**OWEVER, with the passage of the Federal Reclamation Act in 1902, a means was provided by which the Government would undertake such an enterprise and finance a reasonable irrigation development on the promise of farmers, whose lands would be benefited, to pay back the money invested, secured, of course by what amounted to a first mortgage on the land.

Out of this situation arose the Salt River Valley Water Users' Association. It was necessary to have some single entity with which the Government could make a binding contract that would assure its getting its money back. So, after a considerable campaign, in 1903 the Association was organized and incorporated under the state laws.

Individual landowners subscribed for its stock on the basis of one share for each acre of land to be benefited. The subscription contracts contained binding clauses making it possible for the Association to enter into a contract with the Reclamation Service, and to make the construction costs a first lien on the land.

It was a "take it or leave it" proposition for the farmers. They could stay out of the Association and let their lands dry up and become worthless, or they could join and get their share of the waters to be stored by the Roosevelt



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out this offer. It will, we believe, further the progress of Better Delivery—better truck transportation.

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#### LIGHT DUTY

##### 1929 PONTIAC-powered

Type 1001	\$ 625.00
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Type 3007	1620.00
Type 3008	1595.00
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Type 4002	1790.00
Type 4003	1685.00
Type 4004	1920.00
Type 4005	1825.00
Type 4006	1720.00
Type 4007	1935.00
Type 4008	1840.00
Type 4009	1735.00
Type 4010	1960.00
Type 4011	1865.00
Type 4012	1760.00
Type 5001	3215.00
Type 5002	3160.00
Type 5003	2860.00
Type 5004	3265.00
Type 5005	3210.00
Type 5006	2850.00
Type 5007	3280.00
Type 5008	3225.00
Type 5009	2865.00
Type 5010	3315.00
Type 5011	3260.00
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(STRAIGHT RATING capacities:  
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#### HEAVIEST DUTY BIG BRUTE-powered

Type 6001	\$4250.00
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Dam. Looking back on it now it doesn't seem that it would require much argument to induce any landowner to sign up. At that time, however, the situation looked different, especially to owners of land with older water rights.

Under the state irrigation laws, the man first to take water from a stream and put it to beneficial use got a superior right over all later comers. If the quantity of water in the stream fell so low that there was only enough for his land, he had the right to take what he needed before a water user with a later right would be entitled to any.

In the Salt River Valley irrigation was begun in 1867. By 1902 water had been applied both to lands for which the supply was ample in dry years and to thousands of acres for which there was enough water only in the wettest years. The dry-season flow would be enough for about half the acreage, whereas crops on the other half would have to dry up (theoretically). Meanwhile owners of the old water rights would be "sitting pretty" (also theoretically).

### The Fight for Water

**W**HY then, did the owners of these old water right lands, who had plenty of water without any storage dam, join the Association? Well, fortunately for them, as it now appears, they were not able to take out their full supply peacefully. It just happened that owners of the junior-right lands disliked to see their crops lost through lack of water and were not above using certain preventive methods. They were aided by an important physical circumstance.

The first ditches were diverted from the river at the easiest points. Thus low-lying lands in the lower part of the valley were irrigated first. The next comers would take the next feasible diversion point above the first and so on. This in a measure left the man lower down somewhat at the mercy of the one higher up, because the water for the lower ditches had to pass the head gates of the ditches above.

It was more than could be expected of human nature that water in dry seasons would always reach its proper destination. Head gates on the higher ditches would display a remarkable tendency to open accidentally, particularly on dark nights. This would annoy rightful owners of the water.

Some went so far as to maintain that the head gates were opened purposely.

Then again, there was not always complete agreement as to what constituted enough water. Junior-rights landowners insinuated that owners of the prior rights were wasteful—not to say hoggish—in their use of water. Lawsuits, disputes, and argument backed up by shotguns were not infrequent. Even at that, half the land was either half irrigated or dried up, except in the infrequent wet years.

At the time the Association was organized, conditions were at a critical stage. The Valley was going through the driest period ever recorded. Many farmers had abandoned their holdings. Those remaining were ripe for any reasonable plan designed to better conditions.

Every favorable factor, as it turned out, was needed to put the Association over. At that, if there had been any prospect of payments to the Government

being required within a few years, it is unlikely that owners of the old rights would have enrolled. But a mortgage does not look so formidable when the amount is only \$15 an acre and the ultimate payment is around 30 years in the future, and in small annual instalments *without interest* at that.

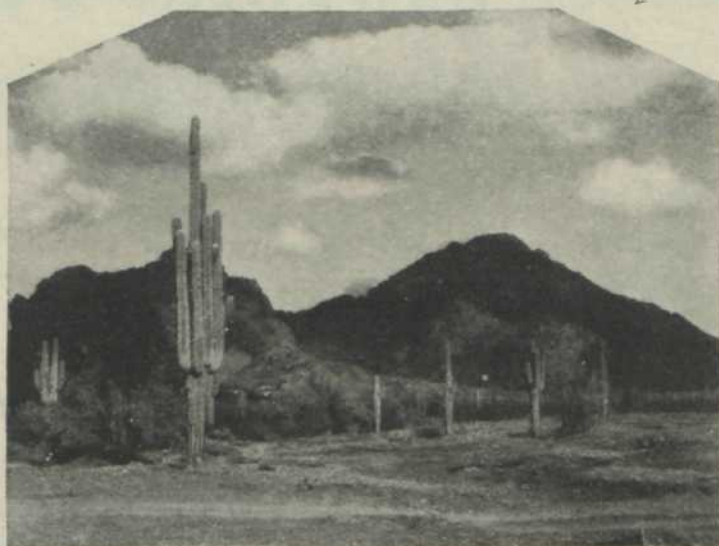
### They Couldn't All Be Sold

**I**T was a big talking point to show that the increase of irrigated land with a bountiful water supply would attract a large population to the Valley and that the increase in land values—to say nothing of absence of friction—would more than offset the mortgage on the land. Prominent citizens got behind the proposition. They went in groups and visited the owners of every piece of land and as a result the Valley was signed up practically solid.

Note the word "practically." This community was not different from any other. It proved impossible to sell *all* the farmers. A few refused to subscribe and to this day one or two such tracts remain outside. There were also several of the older canal systems, the landowners under which were left out because the majority could not be induced to sign. These depended on their old water rights and ran their own affairs up to 1923, at which time the success of the project was so conspicuous that they asked to be taken into the Association and were admitted on the same basis as the original signers.

In 1904, the year following incorporation of the Association, a contract was made with the Government for building the Roosevelt Dam. It was begun in 1906 and finished early in 1911. But this was soon found to be only a part of what was required to make a successful project. Having the water impounded in a reservoir ready for use when needed was one step. But there still remained to provide the means of getting it to the land—the right amount at the right time.

Roosevelt Dam is nearly 50 miles up Salt River from the nearest of the lands to be irrigated and more than 90 miles from the most distant. Water from the reservoir has to be run down the river channel, diverted into canals on both sides of the river and carried by them around the outer edges of the lands to be irrigated, being distributed through lateral ditches from the main canals. The distribu-



**WITH** a twelve-month growing season making possible two crops or more a season from land that formerly produced only cactus, and the fact that growers have learned by experience to diversify their crops, Salt River Valley farmers usually can net a profit







# Dock Construction Economy vs. Extravagance



A LAKE city is squandering thousands of dollars on a large dock building program. One-third the cost of this work could be saved to the taxpayers by building better docks under the Ferguson Patent.

Another city deliberately infringed the Ferguson Patent. More in litigation and penalties to be paid by the taxpayers.

On the other hand, outstanding dock and pier owners, for whom we have built reinforced concrete docks or to whom we have granted licenses, have saved themselves hundreds of thousands of dollars in construction costs. They recognize the extravagance and futility of a patent-dodging program. These owners know that the Federal Courts, in upholding the Ferguson Patent in five separate decisions, have recognized superior strength, economy and endurance as inherent in Ferguson Docks. Here is just a partial list of them:

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The Cleveland Cliffs Iron Co.	The City of Houston, Texas
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The C. & B. Navigation Co.	The Anaconda Copper Co.
The Pennsylvania Railroad Co.	The Peerless Egyptian Cement Co.
The State of California	The City of Wyandotte, Michigan
The Canton Co. of Baltimore	The City of Norfolk
The Standard Oil Co. of N. J.	The Kelley Island Lime & Tr. Co.

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tion canals and laterals already in existence consisted of more than 50 individual systems operating independently of each other. The only way of diverting water from the river itself was by crude brush and rock dams, which served fairly well until a small flood came along and then away went the dams.

They could not be replaced until the river flow was again normal, so that not only would the flood water be lost, but the ordinary supply as well.

### Putting the Project in Shape

**T**HESE were only a few of the factors which were found to operate against a completely successful project. Obviously a permanent diversion dam would have to be provided, with one canal and lateral system under a central head so that water could be distributed where and when needed. So, in response to the urgent demand, the Government built a diversion dam at a cost of \$750,000, took over existing canals and laterals, enlarged and extended them, built others where needed and in general did everything necessary to put the project on its feet.

The entire construction period on a major scale ran up to 1913. It embraced great numbers of permanent irrigation structures of all kinds, hydroelectric power plants, pumping plants, and all the complicated paraphernalia in great irrigation and power system. But by 1913 things were going along smoothly, and work done by the Government from then until the project was turned over to the farmers to operate was more in the way of improvements than major construction. By November, 1917, the construction costs incurred by the Government amounted to more than \$10,000,000 instead of the \$4,000,000 which it had originally planned to spend for Roosevelt Dam only.

The original signers in the Association, in 1903, numbered 1,100. This number increased until in 1917 there were 3,200 members. The increase had come about partly through the subdivision of larger holdings, and was a natural development, since water could not be obtained for the land except through membership. Maintaining the Association, as such, has therefore constituted no problem.

The entire management of the project up to 1917 was in the hands of the Government. But there is no management so good that some will not be found to criticize it. Among other things, impatience developed at the slowness in getting action from Washington regarding affairs. The project was a going concern and the farmers felt that they could handle their own business more to their liking than the Government could. The

nation was then busy making things unpleasant for Germany and as there seemed no good reason why the project should not be turned over to the farmers, this was decided on, the transfer actually taking place in November, 1917.

There was a grand final accounting, proceedings by a "Board of Cost Review," and in the end the Association signed up on the dotted line to pay back to the United States the sum of \$10,000,000, some \$60 an acre on every acre of the members' land, practically four times what it had originally been estimated the costs would be.

The first few years of project operation by the farmers themselves were not notable for success or outstanding achievements. The farmers were creating an organization and feeling their way. They were confronted with a serious drainage problem and some major canal reconstruction work.

Then, too, the project development, while carried by the Government to a point where it was successful from an irrigation standpoint, was far from having reached its maximum limits. Preliminary surveys had indicated power potentiali-

exceptional record for efficiency and capacity.

In the last eight years, which, by the way, have seen the great financial and agricultural depression of 1920-21 and also years of exceptional drouth, the project has not only been kept in a prosperous condition, but has converted a heavy drainage liability into an actual asset, has financed additional power, storage, and other development to the tune of \$20,000,000 (including a \$4,100,000 bond issue sold in September, 1928, for further power construction, now well under way), and in addition has paid the Government \$5,000,000 on its \$10,000,000 debt.

The most spectacular features of this program have been the building of additions to the Roosevelt power plant and the building of two big dams and power plants in the Salt River Canyon below Roosevelt. The farmers now have a power system with a total generating capacity of 90,000 horsepower, from which the gross revenue during the year ending June 30, 1928, was \$2,200,000 and this, too, with the Horse Mesa plant, the biggest one of the lot, in service only a part of the time.

Once the present drouth is broken, the power revenues are expected to pay all operation and maintenance costs, take care of all outstanding bond issues, pay the debt to the Government and leave a substantial surplus besides. It will then be possible, if desired, to serve all of the 240,000 acres of project land with water without charge. Under this \$4,100,000 bond issue mentioned a fourth dam and a 12,000 horsepower power plant are being built on Salt River and also electric lines are being built to serve every farm on the project.

### Financing the Work

**T**HIS latest development was financed under a contract whereby the minimum income guaranteed will fully take care of the bonds, while the actual income expected will be double that amount. The farmers thus get a big income-producing property without going down into their

pockets for a cent. Similar power contracts provide for the \$7,000,000 investment in Horse Mesa and Mormon Flat dams and plants, just completed by the Association.

Mention has been made of the drainage problem—which all irrigation projects face sooner or later due to more water being put into the soil than can be removed by natural drainage. In 1918, fully a third of the project area was threatened with waterlogging and prompt action was necessary to prevent serious damage, because the water table was rising about 1.5 feet a year. A number

(Continued on page 199)



These Salt River Valley farmers have all the advantages of the city—but farming there is no game for a very poor man

ties on the Salt River below Roosevelt Dam and the growing power needs of the Association and demands of the power market made it evident that further power development should be made.

A start on this development was made in 1920 with the election as president of F. A. Reid, who had an outstanding record as a successful cattleman, farmer and business man. Reid is now serving his fifth two-year term. Accomplishments during his administration have made this project famous. With C. C. Cragin, member of the American Society of Civil Engineers, at the head, an organization has been built up which has made an





# FOR MEN

## who want to become independent in the NEXT TEN YEARS

IN the winter of 1939 two men will be sitting in a down-town restaurant.

"I wonder what's going to happen next year," one of them will say. "Business is fine now—but the next few years are going to be hard ones, and we may as well face the facts."

The man across the table will laugh.

"That's just what they said back in 1929," he will answer. "Remember? People were looking ahead apprehensively—and see what happened! Since then there has been the greatest growth in our history—more business done, more fortunes made, than ever before. They've certainly been good years for me..."

He will lean back in his chair with the easy confidence and poise that are the hallmark of real prosperity.

The older man will sit quiet a moment and then in a tone of infinite pathos:

"I wish I had those ten years back," he will say.

\* \* \*

TODAY the interview quoted above is purely imaginary. But be assured of this—it will come true. Right now, at this

very hour, the business men of the United States and Canada are dividing themselves into two groups, represented by the two individuals whose words are quoted. A few years from now there will be ten thousand such luncheons and one of the men will say:

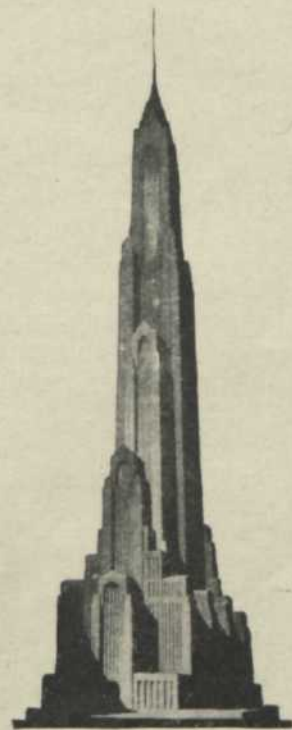
"I have got what I wanted."

And the other will answer:

"I wish I had those years back."

In which class are you putting yourself? The real difference between the two classes is this—one class of men hope vaguely to be independent *sometime*; the other class have convinced themselves that they can do it within the next few years. Do you believe this? Do you care enough about independence to give us a chance to prove it? Will you invest one single evening in reading a book that has put 358,000 men on the road to more rapid progress?

This book costs you nothing—and for a good reason. It is worth only what you make it worth. It explains how for more than twenty years it has been the privilege of the Alexander Hamilton Institute to help men shorten the path to success; to



"Since then there has been the greatest growth in our history—more business done, more fortunes made, than ever before."

increase their earning power; to make them masters of the larger opportunities in business.

"FORGING AHEAD IN BUSINESS" is an interesting, helpful book. It is yours for the asking. Send for it. Measure yourself by it. Look clearly, for a few moments, into your next few years. Whether or not you will follow the path it points is a matter that you alone must decide.

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- 2—Production Management
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NAME.....

BUSINESS ADDRESS.....

BUSINESS POSITION.....



# Speeding the Air-Mail Service

By W. IRVING GLOVER

*Second Assistant Postmaster General*

**T**HE possibilities of trans-Atlantic air-mail service by dirigibles was brought vividly into the public consciousness by the flight of the Graf Zeppelin. The matter promises to bulk still larger in coming months with new British dirigibles nearing completion, with another huge German dirigible being discussed, and with further transoceanic trips being projected for the Graf Zeppelin.

Something of these possibilities was evidenced by the fact that the Graf Zeppelin brought to this country on its recent flight 56,000 pieces of mail and carried home with it to Friedrichshaven, Germany, twice that number of pieces, fulfilling those two vital requirements of the United States mail service, safety and speed.

The possibilities for further extension of trans-Atlantic mail service by dirigibles, to my mind, are excellent. Stronger ships, however—and this was remarked by Dr. Eckener himself when he brought the Graf Zeppelin back to Friedrichshaven—must come first. Transportation of mail by such means must be as safe as humanly possible and must be more quickly accomplished than by other means.

Our object in mail transportation is a single one—to get a letter from its point of origin to its point of destination in the quickest manner possible. If dirigibles can serve this object better than present means of transportation, so far as foreign mail is concerned, they will undoubtedly get contracts. We will avail ourselves of the dirigibles just as we have availed ourselves of every faster means of mail transportation since the establishment of the Post Office—coach to pony express, to rail, to airplane.

There is ample basis for my belief that there will be an exceptionally rapid advance in aerial mail transportation in the next few years. Five to six per cent of first-class mail is now carried by air. Within the next five or seven years I am convinced that this proportion will advance to 35 per cent of all first-class mail.

Not the least among the great mail fleets that will swarm the skies within that period will be the giant dirigibles gliding in from sea, gray forms in the gray fog, nosing down to earth gently and gracefully like wandering voyagers from the vast unknown.

How will trans-Atlantic mail in that



**COACH to pony express, to rail, to airplane—thus has the Post Office Department availed itself of every faster device to speed the mails. Mr. Glover here writes both of the future of airplane-carried mail and that larger mail-transportation unit, the dirigible**

day be handled? Will there be stations throughout Europe and the British Isles, ports of call such as exist today for the great ocean liners?

Hardly. There will be central stations for the various countries, such as has been evolved at Friedrichshaven. Mail from distant parts of the several countries will be gathered at these stations. Germany's mail will be collected at Friedrichshaven, England's at Croydon, or some other field. The leviathans of the air are too mighty to take on mail and passengers within narrow radiuses. Like some special voyager the dirigible will be served rather than serve.

## Will Lakehurst Rival New York?

**T**ODAY our own trans-Atlantic mail is gathered at New York, where it is dispatched overseas on the fastest liners. In the case of dirigible trans-Atlantic mail it will be gathered at Lakehurst, as it was for the Graf Zeppelin's recent voyage, or some other designated airport for transshipment to Europe.

The United States air-mail service now embraces 22 routes in operation and two under contract and scheduled for operation during the current year. The total mileage of the air-mail system to date is 13,081 miles. Air-mail pilots are fly-

ing every day 30,544 miles. They are carrying on an average of eight tons of mail daily. Several thousand miles will be added when the two new routes under contract are in operation.

The total mileage in 1928 was estimated to be 2,500,000 miles more than in 1927. In round numbers the mileage for 1928 totaled 7,600,000 miles.

The air-mail network of the country now covers 37 states and 102 cities, trade center areas and stops. The population served today by these routes approximates 60 to 70 million persons.

It is foreign air mail, however, which is now engaging the attention of the Post Office Department. Foreign mail contracts now in operation or under contract include Miami to Havana (in operation); Miami to Central America and Canal Zone (in operation); Miami to Nassau, Bahama (contract let but not in operation), and Miami to Porto Rico (contract let but not in operation).

International service between the United States and Mexico was begun on October 1, the American line operating from San Antonio to Laredo, Tex., where connection is made with the Mexican line. This service provides direct air-mail connection with Mexico City and the cities of Queretaro, San Luis Potosi, Saltillo and Monterey as well. New York, Boston, Washington, Chicago and other large cities in the United States receive service from this line.

On the same date that air-mail service was extended southward it also was extended northward into Canada through the opening of the New York to Montreal line.

Almost 83 years to the day elapsed between the beginning of operations under the first foreign-mail contract and the beginning of the foreign air-mail service of today. It was in 1845 that Congress authorized the Post Office Department to enter into contracts for the carrying of foreign mail. In the Fall of that year Postmaster General Cave Johnson advertised in the *Daily National Intelligencer* of Washington for contracts to carry American mail from the principal port cities of the country to the principal port cities of Europe and South America.

The Post Office Department has been intrigued of late with a new possibility in air-mail service—that of ship-to-shore





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service and *vice versa*. Last year Clarence Chamberlin, of trans-Atlantic flight fame, departed from the liner *Leviathan* with mail for shore hours before that steamer berthed.

The United States air-mail service is a few months more than ten years of age. It was on May 15, 1918 that the first regular service was inaugurated between New York and Washington in planes and with pilots borrowed from the War Department. This service did not last long because the time saved in the air was nearly all lost on the ground, owing to the distance between the flying fields and the post offices.

But this start proved that the transportation of mail by air was feasible and could be conducted with success. Within six years came the first trans-continental air-mail system.

Now all that prevents more air mail being flown today than is flown is the lack of facilities. Ships today are carrying capacity loads.

European nations, keenly interested in all phases of air progress, are watching with interest the development of America's air-mail service. For it is here in a vast country impregnated with similar ideals and uniform commercial relations and regulations that mail flying is in its glory. The time required to carry the mail from New York to San Francisco has been reduced from 80 hours and better to 32. One wonders what will transpire next. One thing is certain—we are the country to prove the worth of the airplane commercially.

#### The Postmaster General's View

**S**UMMARIZING the future of the air mail Postmaster General New said:

It is my earnest conviction that succeeding months will bring about a gradual mounting total of air-mail poundage that will justify the inclusion in the system during the next 12 months of points not now considered as sufficiently productive from the mail standpoint to be made air-mail stops.

All of the 20 odd air-mail contractors are very busy laying plans for larger and more efficient ships for handling the greatly increased loads they visualize for the near future. The August increase taxed their present equipment to capacity. They are confronted, however, with the realization that regardless of size of new ships placed in operation still larger ships must be devised before the others have served their period of usefulness. It is a problem which also is being shared by the airplane manufacturers and one which must be worked out with the growth of the air mail.

The lowering of the air-mail rate from ten cents for the first one-half ounce to five cents an ounce saw within a month a 95 per cent increase in poundage. Today the skies are loaded with mail. Airplane mail clerks are being seriously discussed. Before long they will become essential. Airplane manufacturers are already submitting plane designs to the Post Office Department which show space for clerks and equipment for sorting mail. The air mail is proving itself.

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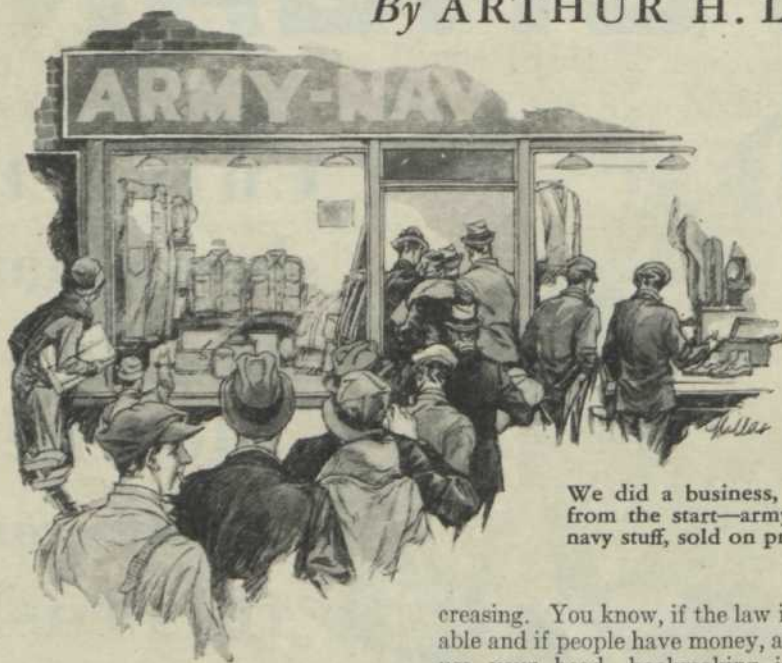
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# A Gambler Tries Retailing

By ARTHUR H. LITTLE



We did a business, right from the start—army-and-navy stuff, sold on price

**E**DDIE," I asked my friend the haberdasher, "how's business?" He looked sad, sighed and said, "I wish I were a gambler! Then, maybe, I'd enjoy being in business. As it is, I'm getting old before my time. Look—gray hairs!"

"Styles and fads and weather—trying to figure out what the public is going to like next. Oh, sure, I get the volume somehow. I'm making money. But what's the use, if I worry myself to death?"

"That's why I say I wish I had the gambler's frame of mind. Maybe then I wouldn't care."

I laid the matter before my friend, Joe Paddock—which is very close to being his real name. Joe is a gambler, a professional. He has the gambler's frame of mind. I think he was born with it.

## Not the Right Frame of Mind

**J**OE, too, looked sad and sighed. "Yes," he said, "I was a retailer once. But about that frame-of-mind business, I think the haberdasher was wrong. I'll tell you about me."

"Just about the end of the war, I was booking horses on the West Coast. Horses had been my occupation since I was a kid. I had started as a messenger—you know, running from the bookies up into the stands for bets."

"I guess I learned pretty fast, because it wasn't long before I was a sheet writer."

"Now every sheet writer hopes to be a bookmaker. The sheet writer makes pretty good money—up to \$25 a day; and, if he's smart, he saves himself a bank roll so he can go on his own. I got myself a stake and went booking. The play was good, and my capital kept in-

creasing. You know, if the law is reasonable and if people have money, and if you use your head, bookmaking is a nice racket. Just the same as in any other kind of gambling, the percentage is on the side of the bird that owns the game. Besides, there are angles—

"Well, as I say, I was doing pretty well. And then the law shut down on us. I had about 30 grand—you know, \$30,000. My wife and I decided we'd go East. She had relatives in New Jersey. I figured I'd rest up a while and keep my eyes open for something to break."

"Well, we came East. One of my wife's sisters lived on a New Jersey farm and we went out to visit her. Boy, that life looked soft! Especially the food—and I like to eat! My wife and I talked it over and made up our minds we'd try farming, too. We'd take a shot at it and then, if something opened up, we could sell out."

"Through a real estate man, we bought 160 acres. Neither of us knew anything about farming, but we worked. And I don't mean just once in a while! I plowed and harrowed from sunrise to sunset and my wife slaved in the kitchen. But we said, 'Never mind. Wait till Winter comes! Then the work will all be done and we'll be sitting on top of the world.'"

"Well, the Winter came—and finished us as farmers. Our

farm was on a side road, a half-mile off the main road—and that main road wasn't so main, either.

"When we'd hear an automobile coming, over on the main road, we'd go to a window and watch it out of sight. Life was too lonesome. We couldn't stand it. I sold out—took a loss, too—just to get away from that farm."

"Meanwhile, my wife's sister, the one that was on a farm, too, had begun to feel the same way as we did. Her husband had been a bookkeeper; and, if I do say it myself, he was making a rotten farmer."

## Big Sales Came Easy

**T**HEY came to us and told us they wanted to move into town and go into retailing. I had about \$1,700 in loose change, and I lent them that as a stake.

"Well, that sister-in-law of mine went into one of those Jersey towns and rented a little store room. She and her husband stocked the place with army-and-navy goods. You know what I mean? Yeh, that stuff."

"On her first Saturday in the place she did a gross business of \$1,200!"

"When she came to me and told me, I wouldn't believe her. She said, 'Here's the money to prove it.' But still I wouldn't believe her. To settle the argument, she and her husband and my wife and I went to her store on Sunday and took inventory. And the figures showed that she was right."

"Well, my wife and I were set on clearing out. We'd sold the farm with the idea that we'd go back to the West. We started. And we got as far as the station platform in Brunswick. I was thinking, 'Well, thank God, we're taking our last look at this part of the country!' But my wife was thinking of something else, because she said:

"Look, Joe! There's a vacant store room. Let's rent it and go into business, the same as Lydia."

"I picked up the grips and we went over to the store room and read the sign in the window. It said that the fellow who had the renting of the place had offices upstairs. We went up. And there was the real

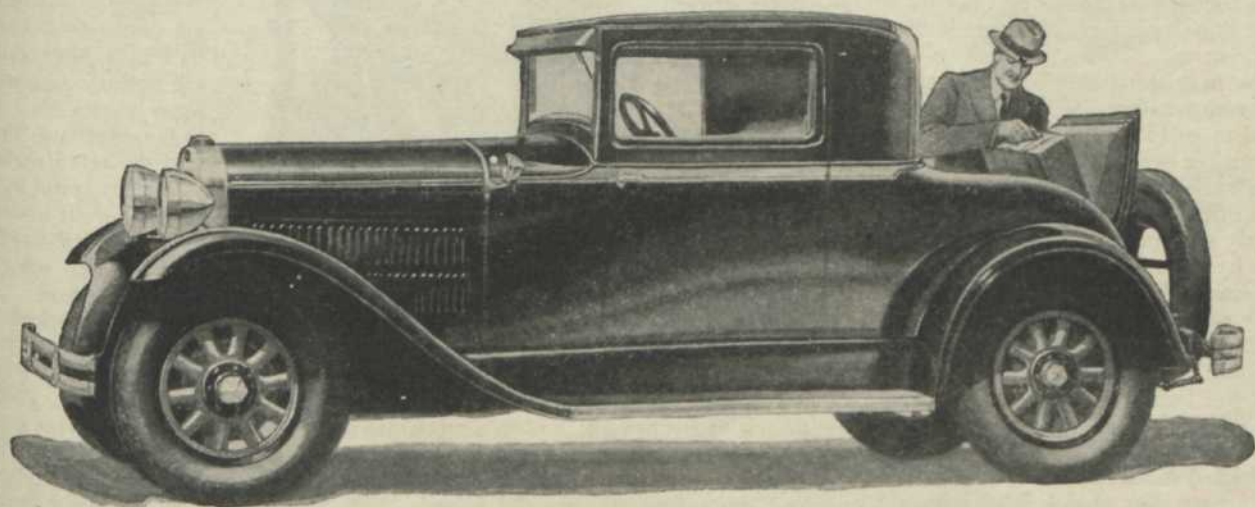


I started as a messenger, running from bookies to the grandstands for bets



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estate bird that had sold us the farm! "Still, there were no hard feelings, and I told him, 'We're going into the retail business. We want to rent that store room downstairs.'

"He said, 'Do you know any more about retailing than you did about farming?'

"No," I told him, 'but neither does my sister-in-law; and she's cleaning up.'

### Developed Independent Ideas

"WE got the store room. I hired carpenters to build counters. I wanted something better than Lydia's place. I worked out my own ideas on the back of an envelope, and the carpenters built as I told 'em to.

"The next thing was to buy a stock. My brother-in-law—Lydia's husband—offered to go to New York with me, because he had been there and bought goods himself. But I told him: 'No. I'm going to learn this business myself; I don't want anybody to lean on.'

"So I went to New York alone. I had a fair-sized roll; anyway, I thought it was enough for a fellah just starting. I figured I could get a part of the stuff for cash and the rest on credit.

"In the first wholesale house I went into a salesman sold me 300 gross of socks—150 of one grade and 150 of another. That looked to me like a lot of socks. But still I figured that what I didn't sell right away would keep. Then I thought I'd shop around a little among the other wholesalers. In the other places I saw lots of things I'd need.

"But when I talked to them about credit, they wanted to know where I'd been in business before and could I give 'em references and the like of that.

"I got mad. I went back to the place where they'd sold me the 300 gross of socks and I said to the fellah, 'Say, what did you want to load me up with all those socks for? Did you think I'm going to run a sock store? I'll need pants and

shirts and shoes and underwear and neckties. How do you get that way?'

"Hesaid, 'I thought you knew what you were doing. What do you want now?'

"What do I want?" I said. I was getting madder all the time. 'Hell! I want a stock! I'm not going to run just a sock department, but a whole store.'

"Well, he was pretty nice about it, at that. He said, 'All right. We'll cut the sock order down so that you can buy everything you'll need—that is, if you buy it from us.'

"That was fair enough. I had to pay cash. But right there I bought my whole stock. Then I went back to Brunswick; and in a week or ten days my wife and I opened for business.

"And I'm telling you, we did a business, right from the start. Bargains—army-and-navy stuff, sold on price. Of course, there was some other stuff in with it. If a man asked for regulation army shoes, we sold him genuine regulation shoes that had been manufactured to the Army's specifications. But we didn't think it was necessary to tell the women, for instance, that the Army never had supplied anybody, not even officers, with manicure sets.

"Business was so good that, after three months, I decided to branch out. I said to my wife: 'Compared to this, booking horses is a piker's racket. We'll open another spot.'

"I went over to another town and leased a store room. Then I went to New York to buy stock. By that time I didn't have to carry the cash with me. I had credit.

"My wife and I fixed up the new place. When we'd finished arranging our stock, the store looked like a display of price tags—big red tags, with black figures on 'em, two inches high. A sign across the store front that you could read six blocks away.

"On the first day we were open, the publisher of the town newspaper came in. He said to me: 'It looks now as if this town is going to go ahead mighty fast. We're glad you've come.' Maybe he thought I was going to advertise.

"But I didn't advertise. That big sign out in front was enough, I figured—the sign and our location in a spot to catch the working man and the farmers.

"Six months later, I opened still another store, making a string of three. And still the racket held. In one year I did a gross of \$114,000.



The Army hadn't supplied anybody, even officers, with manicure sets

"A friend of mine from boyhood days was out in Michigan, waiting for something to turn up. He'd been with me in the bookmaking racket out on the Coast—in fact, I had persuaded him to cut loose from a job and get into something where he could make big money fast. But on the tracks, he hadn't done so good. Seemed like he couldn't get the angles. And now he was in Michigan, doing nothing and waiting for a break. So I wrote to him and said, 'Phil, go into the retail racket. If you need capital to start, I'll stake you; and in ten years, you'll be rich.'

"Phil knew something about business. As a kid, he'd worked in a garment factory and

then in a wholesale house. He took up my offer. He's still in business. And just to show you how good my advice was, his store is doing the biggest business in his town. In five years, without a doubt, he'll be worth a half-million. And the best part of it is that he's still a bachelor.

"Well, for me, things were going along fine; all three stores were making money. And then competition came in.

"A fellah came along and opened a spot—you know, a store—right next door to my first one.

"His policy was the same as mine—bargain goods, big price tags, a big sign across the front.

"At first I figured, 'Well, all right, let him come. I'm here first. This racket ought to be good enough for two of us, as long as the percentage holds. And the percentage is something that no man can change.'

### He Kept one Step Ahead

"BUT right away—in fact, a week before his store opened—he began to advertise. I let him go along like that for a couple of weeks. And then, when I saw what crowds he was getting, I began to advertise, too. For me, it was new stuff. I didn't know anything about that angle. But I figured, 'Well, what gets the business for him will get it for me.' And so I wrote my ads like his. But every day he was ahead of me. In his ads, he'd spring something new. Do you play bridge? Well, then you know what an edge the fellow has who can keep the lead.

"He played specials—went out and bought stuff purposely for that. And by the time I began playing that angle, too, he was doing something else. In the town there were two or three good-sized factories.

"The bird next door to me cashed working men's checks. I'd been doing the same thing—when they asked for it. But he



Meanwhile my competitor branched out and added furniture and tires



★★★★★★

The older the man, the harder the job for his razor; the more important it is to safeguard your comfort by lathering a full three minutes, using the correct diagonal stroke, and slipping a *fresh* Gillette Blade in your razor when time is short. That's how to get Gillette's unrivalled *maximum* of smooth, sure shaving luxury.



TENDER BEARD

16 to 21



MEDIUM BEARD

21 to 30



TOUGH BEARD

30 and over

# Every day your beard gets tougher

The older you get, the oftener  
you need a *fresh* Gillette Blade

AT sixteen that faint shadow on your chin is half hope and half suspicion. At twenty-one, the man—and the beard—come of age. At thirty the mature man expects his Gillette Blade to do its duty every morning. And it *does* in spite of hurry and hard water—in spite of a dozen changing conditions that test the quality of the finest temper that science has learned to give the world's finest steel.

Before a finished Gillette Blade is slipped into the little green envelope which is its certificate of perfection, the steel has been tested repeatedly by crucible and micrometer. The edge has been honed and stropped to microscopic sharpness by machines adjusted to one ten-thousandth of an inch. A long line of inspectors—(four out of nine Gillette blade department workers do nothing but inspect)—have scrutinized it, tested it and passed it on to the millions of Americans who count on every

Gillette Blade to do its job smoothly, surely and well every day.

Shaving conditions vary. The Gillette Blade is the *one* constant factor in your daily shave. Gillette Safety Razor Co., Boston, U. S. A.



THE NEW FIFTY-BOX. Fifty fresh double-edged Gillette Blades (10 packets of fives) in a colorful chest that will serve you afterward as a sturdy button box, cigarette box or jewel case... Ideal as a gift, too. Five dollars at your dealer's.



★★★★

# Gillette

★★★★



No. 3 of a series of advertisements of American Water Works and Electric Company, Incorporated



*There is no Fashion in Clipping Coupons . . .*

**T**IMES, customs, clothes—all change, but the demand for a regular return from a safe investment never grows old.

Prudent investors have been clipping coupons from the bonds of some of our companies for more than a generation.

A time-honored habit . . .

With sound and well-managed property furnishing power, light, and water as its security, every coupon clipped from bonds of this Company or any of its group has been promptly paid the day it was due.

*An Industry That Never Shuts Down*

**AMERICAN WATER WORKS AND ELECTRIC COMPANY**  
INCORPORATED

50 Broad Street, New York

Information about this Company, or any of its subsidiaries, will be furnished on request

played it up in his advertising. In his store he built a teller's cage, just like the ones in a bank. And he handled so much money that the biggest bank in town—he had his account there—sent over a teller on pay day and the day after with a satchel full of money and cashed the checks for him.

"Me, I had thought that the place for a store keeper to do business is in his store. Let the customers come in. But not him! Besides his advertising in the newspapers, he went out after trade—sent men out in cars to canvas from house to house. They went into the towns where my two branch stores were and into the farming country around them, and drew business that had to drive 30 miles right past my stores to trade with him.

"Funny fellah, too! Always good natured. I'd get pretty mad at him, but you couldn't stay that way very long. He was too friendly. Every once in a while he'd drop into my place and say, 'Well, Joe, how goes it?'

"Once, when a shipment of goods consigned to me got tangled up in a freight wreck and I was caught short on a Saturday, he lent me merchandise out of his own stock.

"That Fall, when I went to New York to buy goods—my neighbor had been in business since April—the young fellah in the wholesale house took me to one side. We'd got to be friends.

"Joe, he said to me, 'why are you cutting down on your buying? What's wrong with your business?'

"Well, I said, 'I got a little competition. But I ain't squawking. The racket ain't quite as good as it was. But I'm satisfied.'

"And he said, 'Joe, you can't afford to feel that way. In business, nowadays, you can't stand still. You gotta go ahead.'

"Listen, I said. 'You may know your business; but I know mine. Go ahead and make up that order like I told you to.'

**It Was the Weather That Hurt**

**T**HAT season, the weather was wrong. I'd put in a lot of winter stuff early—on credit, of course, and at good prices. But customers don't buy woolen underwear or overcoats, even at low prices, if the weather doesn't turn cold. With shoes it was the same and fur caps and sweaters and heavy gloves for the farmers.

"Meanwhile, my competitor next door had branched out and added furniture and carpets and stoves and phonographs. He was even selling tires and heaters for Fords. And his canvassers reached the farmers just after the crop money had come in.

"I made another trip to New York and the young fellah in the wholesale house talked to me again. I was asking for longer credit terms. And when he asked me a lot of questions about how I was running my stores, I got mad.

"All right, I told him, 'if you don't want to sell me, I'll go to somebody who

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does.' I went to one of the other wholesale houses. And those guys demanded cash!

"They said to me, 'We're familiar with the conditions in your towns and we know more than you think we do about your business. We'd like to sell you, but we gotta protect our own interests.'

"I went home.

"That night my wife and I had a talk. I said to her, 'I thought I knew the retailing racket. But now I know I don't.'

"And she said to me, 'For three months I've been wanting to ask you to sell out. Lately, we've been unhappier here than we were on the farm.'

"Well, I sold out. Some of my goods I disposed of at a going-out-of-business sale. Some of it I unloaded at auction. The rest of it I sold to my competitor—and he gave me a nice price, too.

### "No Place for a Gambler"

"MAYBE you can figure that the experience taught me something. Well, all that it taught me was that retailing is no place for a gambler; and the fellah who taught me that was that bird right next door to me. You see, if he'd beaten me with crookedness maybe I'd beef. But he beat me on the up-and-up, on the level and on the square.

"I had thought that business—any kind of business—was a gamble. I'd figured that the men who went to the top in business were the plungers, like Harriman and Hill and Bet-a-Million Gates. But now I know that it ain't the flash that counts, but the long, long pull, day after day—that and having the right frame of mind. I dunno. I guess you gotta be born that way."

Again Joe sighed.

"Right now," he went on, "I'm waiting for something to break. I've been tipped that they're going to lift the lid for the ponies here this summer. My wife, she'd kind of like to go back to the West Coast, where there's no Winter to speak of and, if we can find a nice place, go back to farming."

"And," I asked, as tactfully as possible, "your experience in business—did it just about break you, financially?"

"No." Joe shook his head and, for the first time, smiled. "I did make a failure of it, but I didn't go broke. You see, I've got an income from a gamble I took in business. You remember I told you that when I was getting started in business, I wrote to my friend Phil, out in Michigan, and told him to get into retailing. Phil wrote back that he'd need capital, and I sent him five grand. Since then he's always figured that I owned a half interest in the store.

"Yeh—sentiment! You'll find that among fellahs that have been gamblers. They ain't businesslike at all. So I'm Phil's silent partner."

"You help him run the business?" I asked.

"Me?" Joe raised his eyebrows in surprise. "Hell, no! The best thing I can do for that business is to keep my hands off!"

# Do your trucks average 4,000 or 150,000 miles per accident?

Accidents do not happen . . . they are caused . . . and the chief causes are known.

American Mutual engineers have worked with truck fleets that have averaged one accident every 4,000 miles. They have instituted systems of safety that have improved these records to the extent that some of these fleets now have but one accident every 150,000 miles.

Such an improvement, of course, means lower operating costs. In addition, these policyholders saved \$22 out of every \$100 paid for their automobile insurance. The American Mutual has always paid dividends to policyholders of never less than 20% of their premium costs — each year for the past forty-two years.

Send for a list of policyholders — write to them — their experience will help you decide whether you are getting the utmost protection at the least cost.

AMERICAN MUTUAL LIABILITY INSURANCE COMPANY  
142 Berkeley Street, Boston, Mass.

# American Mutual



To the American Mutual, 142 Berkeley St., Boston  
Please send me a list of your policyholders in  
the following line of business [ ]

Name \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_

**Largest, strongest and oldest  
mutual liability insurance company**

When writing to AMERICAN MUTUAL LIABILITY INSURANCE COMPANY please mention Nation's Business



# The Local Chamber and the Chain

By A. S. DUDLEY

*Vice President, National Association of Commercial Organization Secretaries*

**W**E RECENTLY gave a dinner to all the chain-store managers in the town and there was 100 per cent attendance," says the secretary of the Burlington, N. C., Chamber of Commerce. "The 14 chain-store managers not only signed a resolution pledging their support, but voluntarily formed a committee to assist the Chamber of Commerce in gaining the support of other chain-store officials," reports the secretary of the Knoxville, Tenn., Chamber of Commerce.

Is the antagonism toward chain intrusion becoming keener or are matters smoothing out? Is the chain intruding? Is there anything to smooth out? What is the attitude of the secretary? What is the policy of the chamber of commerce?

Let us do a little reconnoitering before we attempt to give the answer.

## Business Changes

**A** GENERATION ago the drug store was a drug store. Today we might call it a department store. A generation ago the bank accepted deposits and loaned money. Today it sells bonds, real estate, insurance, handles estates and does a dozen and one things in addition to what it did under the old-time conception of the banking business. The auto mechanic has replaced the blacksmith. The cannery has largely eliminated home canning. Electricity has supplanted the oil lamp. The radio has affected the talking machine business. The airplane presents certain problems to transportation interests. There is a constant transition in business and in industry.

He is a wise secretary who avoids entangling alliances. It is a successful chamber of commerce which recognizes no one business to the exclusion of another. More secretaries have been wrecked upon rocks of favoritism, have lost their jobs for hobnobbing with cliques, than for any other single reason. More chambers of commerce have lost community confidence, have lost their effective civic usefulness through catering to a favored few, than for any other single reason.

Some people think the chamber of com-

merce can curb chain-store development and expansion, or that such expansion can be stopped by state legislation. The chain store, of course, cannot be outlawed. A Virginia secretary says:

"I think it becomes our duty as chamber of commerce men to put forth every effort to assimilate the chain store in the life of the community and treat it as we

as far as we could, have helped these newcomers, inviting them to become members of the organization and to take part in the civic life."

It is natural that the prosperous community be selected as a business location by professional men, by industries, by merchants, whether of the chain type or the individual type. No man will question the fact that competition which is honest and which is fair cannot be justly condemned.

Imagine yourself a director of a local chamber of commerce. You have given your time and your money to help make your city a good one in which to own a business. You receive a letter such as the following from the president of a large chain having headquarters in New York City:

## Passing the Buck

**"T**HE number of stores we operate and the very close margin on which we sell our product make it impractical for us to belong to these different local activities (chamber of commerce and community chest) and it makes a better feeling if we stay out of all of them rather than to join one and not join another.

"We feel, further than that, that in the extraordinary values which we give in our merchandise we are helping the community in making their money go further than we would in contributing to local activities which are not included in our general overhead expense, and if we incurred this extra expense, it would necessarily have to reflect in the retail price of our merchandise.

"Further than that, we pay rent for a store in a certain locality on the basis of the amount of business available in that particular city, and it therefore seems to us that it is the landlord's place to support these different local activities, and he gets the benefit through the reflection in his rent to just the extent that the business is improved in that particular city."

If all chains maintained such a policy what would be your attitude toward chains?

As a banker, contributing to community activities, what would you think of a chain organization renting a store in your town?

## QUOTABLE QUOTES

of the Month

I WOULD LIKE to see the time when business writes a charter of American business freedom, to protect itself both from government and from some of its own temptations.

GOVERNOR RITCHIE,  
*Of Maryland.*

OUR PROGRESS in the art of government ought to go faster than the advance of applied science, but unhappily it is doing nothing of the kind; it is dropping steadily behind.

WILLIAM BENNETT MONROE,  
*Professor of Municipal Government at Harvard.*

WHETHER A GREAT fortune is to the public advantage or not, depends not in the least upon its existence or its amount, but upon how it is used by those who have made it or by those to whom it is transmitted.

NICHOLAS M. BUTLER,  
*President of Columbia University.*

I TAKE NO stock in the thought that this so-called sordid and commercial age is robbing the people of the finer and better things of life; neither do I believe it is dwarfing the soul of the nation.

THOMAS R. PRESTON,  
*President, American Bankers Assn.*

would treat any independent store."

A Michigan chamber of commerce has remained neutral in the matter of the home-owned store movement versus the chain and has felt it to be a matter in which the chamber of commerce could not enter because fundamental economic forces were at work which could not be influenced by sentiment. The secretary of this same chamber of commerce comments further and expresses a policy identical to that reported by scores of other secretaries, "Our organization has always treated fairly the chain units which have been opened in our city. We have called on the managers, welcomed them to our city, placed ourselves at their service and,



**"Your service could not be duplicated"  
says the Gamble Robinson Co.  
and with 80 Internationals they should know!**



Perishable fruits, vegetables and groceries come from all over the world to the Gamble-Robinson Company of Minneapolis. They do a tremendous wholesale business in delicacies that must be delivered promptly. And so they operate a great fleet of trucks out of 62 distributing points spread over 7 northern states and into Canada.

For 15 years the Gamble-Robinson Company has been using trucks. Many makes have been tried, to find the one that would best stand the strains imposed by the severe northern winters — and now 80 trucks of the fleet are Internationals.

#### A report of the company's experience:

"In sending you a photo of our latest International we wish to express our appreciation for the efficient service which your organization has rendered us through your various branches in the Northwest and Canada, assisting us to operate our fleet of eighty International Trucks on a most economical basis during the year. We believe that the type of service you have rendered us could not be duplicated by any other truck manufacturer."

Thousands of owners — users in every type of business — will testify that the service delivered by Internationals would indeed be hard to duplicate. Use Internationals and you, too, will agree. We pledge all of our Company-owned branches to help every International owner get the utmost in hauling satisfaction from his trucks.



The International line includes the Special Delivery for loads up to  $\frac{3}{4}$ -ton; the 1-ton Six-Speed Special; 4 and 6-cylinder Speed Trucks of  $1\frac{1}{4}$ ,  $1\frac{1}{2}$  and 2-ton sizes; Heavy-Duty Trucks ranging from  $2\frac{1}{2}$ -ton to 5-ton sizes; Motor Coaches, and McCormick-Deering Industrial Tractors. Sold and Serviced by 172 Company-owned Branches in the United States and Canada, and dealers everywhere.

**INTERNATIONAL HARVESTER COMPANY**  
606 SO. MICHIGAN AVE. OF AMERICA (INCORPORATED) CHICAGO, ILLINOIS

# INTERNATIONAL TRUCKS

*When buying INTERNATIONAL TRUCKS please mention Nation's Business to the dealer*



# Nationally known users of Fenestra . . . Montgomery Ward & Co.



Montgomery Ward & Company Building, Oakland, California.  
Architect: W. J. McCauley. Contractors: Wells Bros. Construction Company, Chicago.

**I**N this big Montgomery Ward warehouse at Oakland, California, Fenestra is on the job—flooding each floor with daylight—providing controlled ventilation throughout the building and adding many other advantages that always follow the installation of steel windows: easy opening, snug-tight closing, long life, fire resistance.

Here 870 units of Fenestra Steel Windows and 15 Fenestra Doors have been installed under the direction of the Fenestra San Francisco organization with their factory at Oakland for quick shipment.

Fenestra men know the window needs of every type of building—whether it be a warehouse like that shown above, a power house, a textile mill or a manufacturing plant. Their steel window experience can be applied to your individual problems—and without obligation. Simply telephone the local Fenestra office.

**DETROIT STEEL PRODUCTS COMPANY**  
2292 East Grand Boulevard, Detroit, Mich.  
Factories: Detroit, Michigan, and Oakland, California  
Convenient Warehouse Stocks

# Fenestra

steel windows

When writing to DETROIT STEEL PRODUCTS COMPANY please mention Nation's Business

and placing in charge a man who deposits the day's receipts in the local bank and, on the same evening, mails a check for the full amount to the home office? What would you think if, when you called upon this man for membership in the chamber or for funds for the community chest, you received a refusal, or "I'll have to write the home office," and the "home office" never approves the subscription?

Statements from representative chain store heads make clear that such attitudes are assumed by few of the larger and more successful chains.

As a loyal American citizen, believing in the upbuilding of prosperous trade centers and that business institutions should be willing to cultivate an already fertile field, what would be your attitude toward chains which subscribe to the following principles, expressed by the head of a department-store chain?

### Comply with Local Conditions

**"W**E try to adapt our plan to local conditions," he says. "For example, we observe the same store hours as other merchants, recognize the same holidays and try to follow the majority in everything we do. We employ practically all local people and try to make our store as nearly a local institution as possible."

Those who have had intimate contact with chamber of commerce work should ponder over the remarks of the president of another chain that has 29 stores and holds memberships in 27 chambers.

"You will find," he says, "in every locality more slackers outside of the chain-store business than you will within. If a certain drug store in your city refused to join your chamber of commerce and become interested in community development, you surely would not take action against all the drug stores, for by so doing you would be 'stepping on the toes' of the men in that line who have community spirit. I am strongly in favor of a chamber of commerce picking out the chains or the local merchants who are not spirited enough to help their community and find some means of interesting them."

Expressions from the most representative chamber of commerce secretaries indicate that judgment should be passed upon the merits of each individual case, whether chain or local in character. They take the position that the important thing is not which type of management has the greater number of slackers; but rather how strong can the investment value of the chamber of commerce be made, and, then, how that value can be sold to every business, professional and industrial man in the community.

The successful chamber of commerce knows no religious sects, no political factions, no professional or business jealousies, and, as William Allen White says, "modifies the innate cussedness of the average selfish, hard-boiled, picayunish, penny-pinching, narrow-gauged, human porker and lifts up his snout, makes him see further than his home, his business, and his personal interests and sets him rooting for his community."

### OTHER FENESTRATED WAREHOUSES

Larkin Company  
Great Atlantic and Pacific  
Tea Company  
Sears-Roebuck Company  
U. S. Navy Supply Base,  
Brooklyn  
U. S. Army Supply Base,  
So. Boston, New Orleans,  
Philadelphia  
Baltimore Bargain House  
International Fur Exchange  
Boston Cold Storage Co.  
Chicago Cold Storage Co.  
Los Angeles Union Terminals  
Company  
St. Louis Quartermasters  
Depot  
Port of Seattle Commission  
House  
Bellville Warehouse,  
New Bedford, Mass.



THE DAYTON POWER & LIGHT COMPANY  
EXECUTIVE OFFICES  
205 EAST FIRST STREET  
DAYTON, OHIO

November 1, 1928

Ethyl Gasoline Corp.,  
25 Broadway,  
New York, N. Y.

Gentlemen:

After having used Ethyl Gasoline for over five years and having kept a very careful check on results, I believe you will be interested to know of our experience.

The Dayton Power and Light Company commenced using Ethyl Gasoline in July, 1923, in its fleet of passenger and commercial vehicles, has been using it exclusively ever since, and believes that the very substantial reduction in cost per mile which has been made since then, has been due in great part to the use of Ethyl Gasoline. The savings are the result of greatly decreased maintenance and repair cost, and increased availability of equipment and other factors of economy.

We operate 185 motor vehicles which cover a total of about 2,600,000 miles a year. Carbon cleaning in a fleet of this size, operated on regular gasoline, is always expensive as well as a major problem. This work became entirely unnecessary after we began using Ethyl Gasoline. With the elimination of carbon cleaning a great reduction in other repairs coincident with it was accomplished. Under the old system when the head was removed from the motor the mechanics frequently made other adjustments, such as grinding of valves, etc., when not necessary. This decreased repair time at once reflects itself in increased working hours of the car and drivers, in addition to the expense of making the repairs.

Since using Ethyl Gasoline the fouling of spark plugs has been eliminated, and today we have no valve grinding period in our cars.

Our equipment consists of a number of different types of automobiles ranging from small passenger cars up to heavy trucks and power equipment, and the very satisfactory results described were found in each type, irrespective of make.

I am glad to add that we are well pleased with the greatly improved car performance and cost of operation.

Cordially yours,

*C. B. Reemelin*  
C. B. Reemelin,  
Manager of Electrical Division.

## Two million miles per year at lower cost with ETHYL GASOLINE

READ the letter from the Dayton Power and Light Company which is reproduced on this page. See how they increased the efficiency of their fleet and cut down maintenance and operating cost by the use of Ethyl Gasoline.

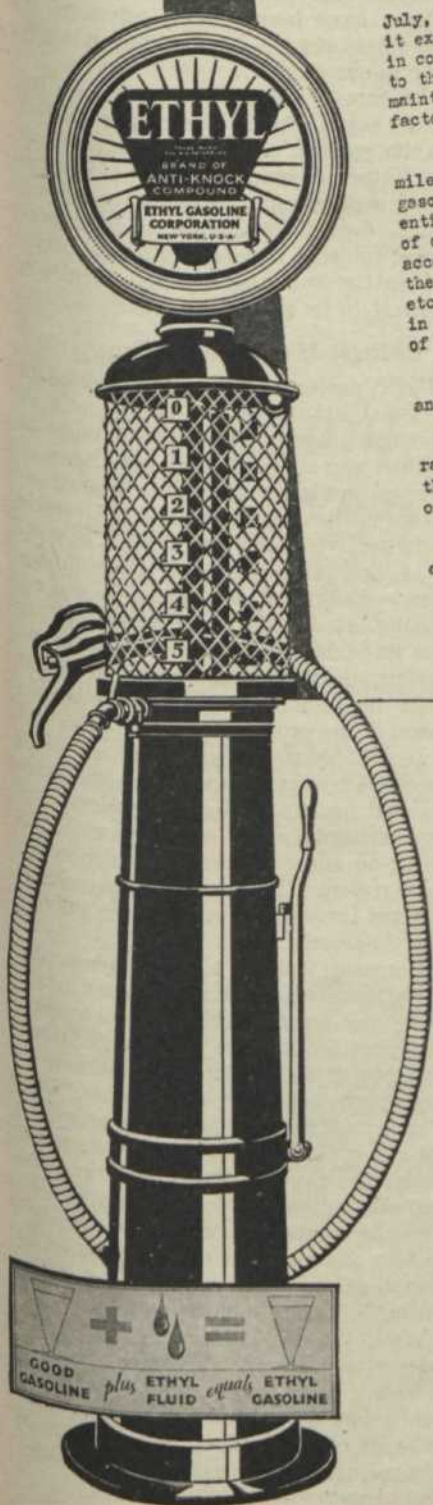
Ethyl Gasoline as an aid to economy is worth the attention of any executive of a company which operates motor vehicles in large numbers. Developed by automotive research to make practicable higher compression in motors, this fuel is mixed and sold by leading oil companies throughout the United States, Canada and the British Isles.

Ethyl Gasoline knocks out that "knock."

ETHYL GASOLINE CORPORATION

25 Broadway, New York City 56 Church St., Toronto, Can. 36, Queen Anne's Gate, London, Eng.

When writing to ETHYL GASOLINE CORPORATION please mention Nation's Business





# PARKERIZING is Rust Proofing



**N**UTS, bolts, washers and screws are in universal use—entering directly or indirectly into the fabrication of every manufactured product. The volume of these essentials now being protected against rust by Parkerizing totals hundreds of tons daily.

Parkerizing, the base of which is Parco Powder, is not a paint or a metallic plating—it is a chemical conversion of the surface of iron or steel which provides an effective rust-proof finish.

Today Parkerizing is used by the leaders in every line of industry.

Any manufacturer can easily install the Parker Process. For the smaller manufacturers, or those having an intermittent demand there are twenty-five centrally located Parkerizing Jobber Service plants.

Write today for your copy of "The Parker Process" and "The Parkerizer"

**PARKER RUST-PROOF CO.**

2179 EAST MILWAUKEE AVENUE  
DETROIT, MICHIGAN

**PARKER  
PROCESS**

## Radio Teaches the World

**R**ADIO broadcasting, as an educational force, is assuming world-wide proportions. In the United States, as everyone knows, vital information relative to the people's prosperity and well-being for several years has been broadcast by the Government and its agencies, notably the Weather Bureau and the Department of Agriculture, colleges, scientific institutions, and life insurance companies.

It may not be so generally known that other nations, particularly Germany and China, have been making advances in this phase of radio broadcasting comparable to our own.

In fact the Chinese government recently began what has been characterized as the greatest educational campaign in the history of mankind, when it inaugurated a daily radio broadcasting service which disseminates news items, educational subjects, home study topics, patriotic matter and other material of current interest to its citizenry.

### Chinese Have Official Program

**T**HIS project was recently revealed to the United States Department of Commerce by its commercial attache in Peking, who added that the popularity of the venture has resulted in a marked increase in the demand for American-made radio receiving sets. At present, he stated, China is disseminating its radio information through loud speakers and receiving sets installed in community centers throughout the nation. The subjects are broadcast in simple dialect so that even the illiterate may grasp the significance of the programs.

In addition to the "kindergarten" radio service, China also broadcasts a daily educational feature for high school and college students, which also proves interesting to educated persons living in remote regions. This daily service includes lectures broadcast directly from university classrooms.

Germany includes all the fundamental features of educational broadcasting as sponsored by the Chinese government, and goes deeper into the ramifications. In addition to daily radio broadcasts of elementary and scientific matter, Germany disseminates information on political economy, national and international problems affecting its citizenry and the national welfare. Moreover, it carries on a special campaign of education for labor leaders and members of labor unions, so that they may gain a knowledge of the economic structure of the nation.

Since the inauguration of this radio feature, plus the establishment of community schools, home study courses and public forums, strike threats are almost unheard of in Germany and the fear of communistic influence has been materially lessened.—JOHN J. McIVER.



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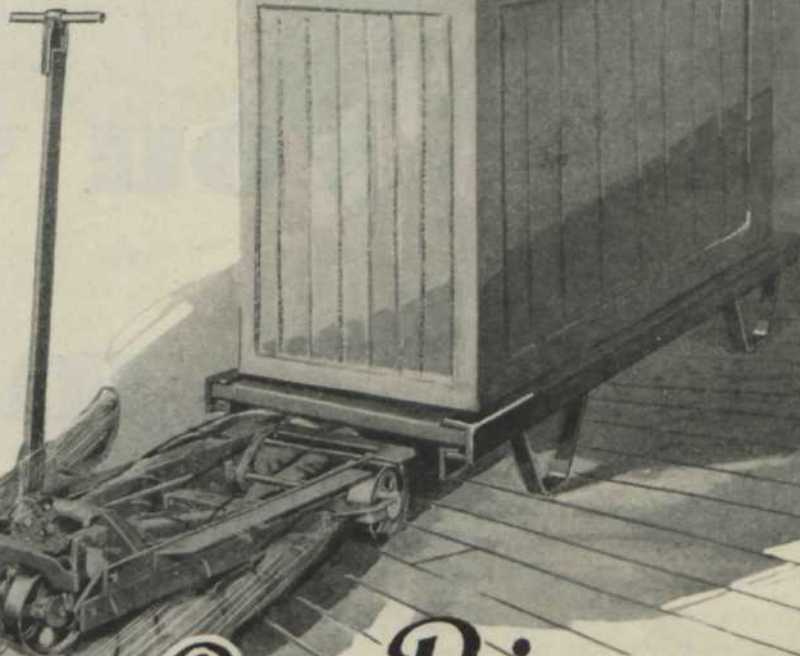
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STAFF





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give me an immediate report on our chances of taking over that Hawthorn Co. contract, his advice on their rating and what time it would involve.

IMPORTANT  
Mr. Ardsley phoned  
price of \$22. per  
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of 500,000 or over.  
Specification will  
adhere to standard  
supply catalog re-  
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82, 50 and 945.

To the Office Boy -  
Tell Jerry to go and  
pick up my clubs and  
outfit Friday morning  
and have them down  
here by noon.

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Sloan & Wright,  
Kansas City job-  
bers complain they  
haven't received  
new price lists and  
booklets. I stress-  
ed the importance of  
this last week.

IMPORTANT  
Have this memo on  
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morning - mustn't  
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ability to get things done**



# New Issues Face the New Congress

By FRED DEWITT SHELTON

**N**EW faces as well as new issues will mark the Seventy-first Congress which comes into being March 4, 1929. The transition from the Coolidge regime to the Hoover era will not be the severe change that occurs when one political party succeeds another. Nevertheless, a readjustment will occur that will give a new complexion to official Washington.

The present narrow Republican majority in the Senate will be increased to the more secure margin of 15. The count will be 55 Republicans, 39 Democrats, one Farmer-Laborite. Pennsylvania's Senator-elect, William S. Vare, is still unsworn, awaiting the action of the Senate.

Two veterans, Senator James A. Reed, of Missouri, and Senator George P. McLean, of Connecticut, are retiring of their own volition. New senators who will appear in Washington as a result of the 1928 election are Frederick C. Walcott, of Connecticut; John G. Townsend, of Delaware; Otis F. Glenn, of Illinois; Phillips Lee Goldsborough, of Maryland; Roscoe C. Patterson, of Missouri; Hamilton F. Kean, of New Jersey; Felix Herbert, of Rhode Island; Tom Connally, of Texas; and Henry D. Hatfield, of West Virginia. All of these new senators, except Mr. Connally, are Republicans.

With advancement of Senator Charles Curtis to the Vice Presidency a new majority floor leader will have to be named. Senator James E. Watson of Indiana seems to be the probable choice.

Republican control in the House also will be measurably strengthened as a result of the November election. The Republican majority will be 106.

## Feminine Gains

**MARKED** gains in the feminine contingent of the House will be registered in the next Congress when there will be eight Congresswomen—from Arkansas, California, Florida, Illinois, Ken-

tucky, Massachusetts, New Jersey and New York. Four of them fill seats formerly occupied by their husbands.

The first colored representative in more than a quarter of a century will sit in the next Congress. He is Oscar DePriest, of Illinois, elected to succeed the late Martin B. Madden.

## Bills for Extra Session

THE recess from March 4 to the opening of the extra session will be used by committees to prepare bills on agriculture and tariff. Such measures, therefore, are expected to be ready when Congress convenes in April.

These will be the main issues, but, other matters are bound to receive attention.

The House likely will pass a tariff bill early in the Summer but then there will be hearings before the Senate Committee on Finance where the House tariff schedules will be attacked. Once the bill is reported to the Senate it will be subject to unlimited debate and, therefore, no one can forecast very accurately the date of final passage. A very hot period of weather would hasten a vote. There is a possibility that the final touches to the tariff bill may be left over until Fall.

There is a growing belief that the farm problem will be dealt with through a series of amendments of existing laws and particularized treatment of various angles of the problem rather than by wholesale attempts to find a

panacea. Thus the disposition to give agriculture its wishes in the way of tariff rates is based on the attitude that this is a tangible and practical way of giving farm aid.

Some basic legislation, however, probably will be put forward, including the creation of a federal farm board to head up federal agricultural relief operations.

## Appropriation Bills

**APPROPRIATION** bills—the main business of the short session—are moving a little behind schedule. Sums voted are running ahead of the current year's appropriations. Nevertheless, the prospect is for a balanced budget on June 30, 1929, despite the fact that substantial increases in appropriations have been made.

As the money bills now stand the figures are as follows:

Deficiency .....	\$126,928,112
Executive Office and independent boards, commissions, etc.....	541,332,004
Interior .....	286,468,463
Agriculture .....	145,189,641
State, Labor, Commerce, Justice and the Judiciary .....	111,880,847
War .....	447,544,452
Treasury and Post Office .....	1,118,290,199
Navy .....	347,450,448

The bills call for expenditure of some \$104,000,000 more than the



Mrs. Ruth McCormick



Mrs. Mary T. Norton



Mrs. Katherine Langley



Mrs. Edith N. Rogers



Mrs. Ruth Baker Pratt



Mrs. Pearl Oldfield



Mrs. Ruth Bryan Owen



Mrs. Florence Kahn

**EIGHT** congresswomen will occupy seats in the House during the next Congress, the November election having added three new faces to the present feminine contingent of five. They come from Arkansas, California, Florida, Illinois, Kentucky, Massachusetts, New Jersey, and New York. Four of the eight will fill seats once occupied by their husbands



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selling job?*



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There is "Cellophane", for example—that glistening transparent material which adds so much to the quality of a package. "Cellophane" can now be wrapped by machine. Seen through "Cellophane," the colors of your package will take on new life and interest—it's like a beautiful coat of varnish on a painted surface.

If your goods are now sold in printed cartons, consider the improvement which a printed wrapper would make—wrappers lend themselves to much finer printing than carton stock does.

Your product may be losing some of its quality by lack of sufficient protection. A waxed-glassine wrapper will keep the goods fresh and wholesome for a longer time. And when the user removes the outer wrapping, she has a package as clean and fresh looking as when it left your factory. Many manufacturers feature this protection in their advertising—Loose-Wiles Biscuit, for example.

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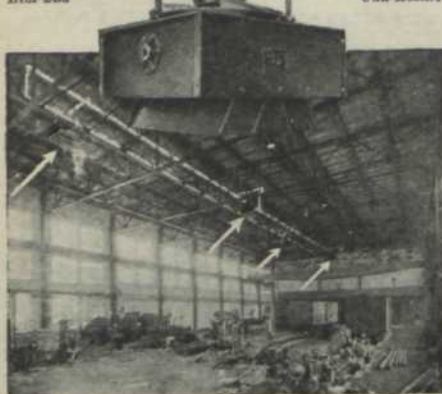
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corresponding amounts appropriated for the current year.

### Reapportioning Congress

A SECOND attempt in this Congress to reapportion seats in the House of Representatives—a constitutional requirement not observed since 1910—was successful in the House. The Fenn bill passed by the House would authorize the Secretary of Commerce after each census to certify the population of states and number of representatives each state would be entitled to on the basis of population. Then if Congress does not act the new apportionment would go into effect regardless. The number of Representatives would remain at 435.

The Senate Committee promptly reported the bill and its passage seems probable.

### Foreign Air Mail

A BILL to govern extension of air-mail service to foreign and insular countries introduced in the House by Representative Kelly, of Pennsylvania, has been reported to the House. A similar bill is on the Senate calendar. One or the other probably will become law. Important air-line plans for South America await passage of such a law.

### Regulation of Buses

IN THE hope of passing motor bus regulatory legislation in this Congress, Chairman Parker, of the House Committee on Interstate and Foreign Commerce, recently held a conference of interested organizations to consider the questions involved.

The rapid growth of motor bus transport lines has raised many problems of regulation of interstate commerce and the agitation for action by Congress is increasing.

### Cotton Futures

THE Vinson bill to do for cotton what the Grain Futures Act did to regulate trading in wheat passed the House recently under unanimous consent. The Senate probably will pass it if it comes to a vote.

The Caraway bill to prevent the sale of cotton and grain in future markets has been defeated by vote of the Senate.

### Immigration Legislation

A NATURALIZATION bill has been passed by both the House and Senate. An amendment added in the Senate would remedy numerous injustices suffered by certain resident aliens who innocently lack proof of legal entry. This amendment is substantially the Schneider bill, already on the calendar of the House.

The troublesome "national origins" clause of the Immigration Act of 1924 may take effect this year, having twice been deferred by Congress in 1927 and 1928. The proposal for further postponement after hearings was rejected by the Immigration Committee of the Senate. Under present law this clause, fixing the new basis for computing quotas, will go

into effect July 1, 1929. President-elect Hoover has recommended repeal of the provision.

### Educational Orders

THE House Military Affairs Committee has reported a bill to permit placing of educational orders with manufacturers in order that they may be prepared to produce munitions quickly on a quantity basis in a war emergency.

There is a fair chance of passage by the House but lack of time may prevent consideration by the Senate.

### Radio Control

CONGRESS still is struggling with the question of extending the life of the Federal Radio Commission, which ends on March 15 under present law. After that date the Secretary of Commerce will administer control of radio unless new legislation continues the Commission.

There is sharp difference of opinion as to what should be done.

### Accomplishments

NET LEGISLATION for the short session has been relatively small. Aside from appropriation bills the principal accomplishments have been:

The Boulder Dam project on the Colorado River.

The Hawes-Cooper convict-made goods bill, which bars interstate shipment of convict-made goods.

The bill authorizing 15 new cruisers and an airplane carrier for the Navy.

Creation of several additional federal judges to remedy congestion in the federal courts.

The George-Reed bill for additional federal aid to states for vocational education.

### Left-over Bills

AS THE Seventieth Congress draws to a close it becomes obvious that many measures of considerable importance to business and long before Congress will be allowed to die. Some of the best known proposals in this category are:

Authority for creation of foreign trade zones in American ports. This may figure in the new tariff bill.

Creation of a federal communications commission to regulate radio, telephones, etc.

Antilabor injunction proposals and other restrictions on the powers of federal courts.

Creation of a commission to revise the shipping laws.

Adoption of the Hague Rules for uniform ocean bills of lading.

The Kelly-Capper resale price maintenance bill.

Establishment of load lines for American vessels.

Repeal of the Pullman surcharge.

Creation of a federal department of education with the secretary a member of the President's cabinet.

Removal of tobacco import restrictions so that a parcel post convention with Cuba can be negotiated.



# At a touch of his hand these brakes grip a hundred wheels

A train speeds toward a station. Two million pounds—an avalanche of steel—in full momentum! The engineman touches a lever. Instantly, simultaneously, brakes begin to grip a hundred wheels or more. Quickly and easily, as if smothered with cushions, the train stops.

A FEW years ago the automobile industry was thrown into a furore by the invention and general adoption of the 4-wheel brake.

But almost three score years ago the Pennsylvania Railroad adopted the air brake—which makes it possible to grip a hundred wheels or more simultaneously.

The basic principle was multiple brake control on every wheel of every car. This was operated from the engine cab through the medium of compressed air circulating through the entire train.

When the principle was applied, the pulse of traffic quickened at once, because the beat was stronger. Speed could be controlled, therefore it could be utilized. It was found that a track could handle many times more traffic than ever before, more trains, heavier trains, faster trains. It was as if a narrow path had suddenly become a broad highway.

With new resources of speed at their command railroad engineers began their work of revolutionizing freight and passenger service, with results beyond their most sanguine hope. A new door opened to agriculture: perishable

produce could be shipped to markets thousands of miles away.

Last year there came to the New York Metropolitan District on the Pennsylvania Railroad fresh fruits and vegetables that would fill a freight train as long as the distance across the continent—and the average haul was 1500 miles! Public health, no less than agriculture, profited from the invention.

Industry, too, sprang forward, sure of rapid transit and of economical national distribution. Huge reservoirs of capital, released from the necessity of financing goods in slow transit, poured into productive enter-

prise. It is almost impossible to picture an America today denied the service of the air brake over even a small part of the last sixty years.

As in the case of many another contribution to transportation technique, the Pennsylvania was first of all railroads to adopt the Westinghouse Air Brake.



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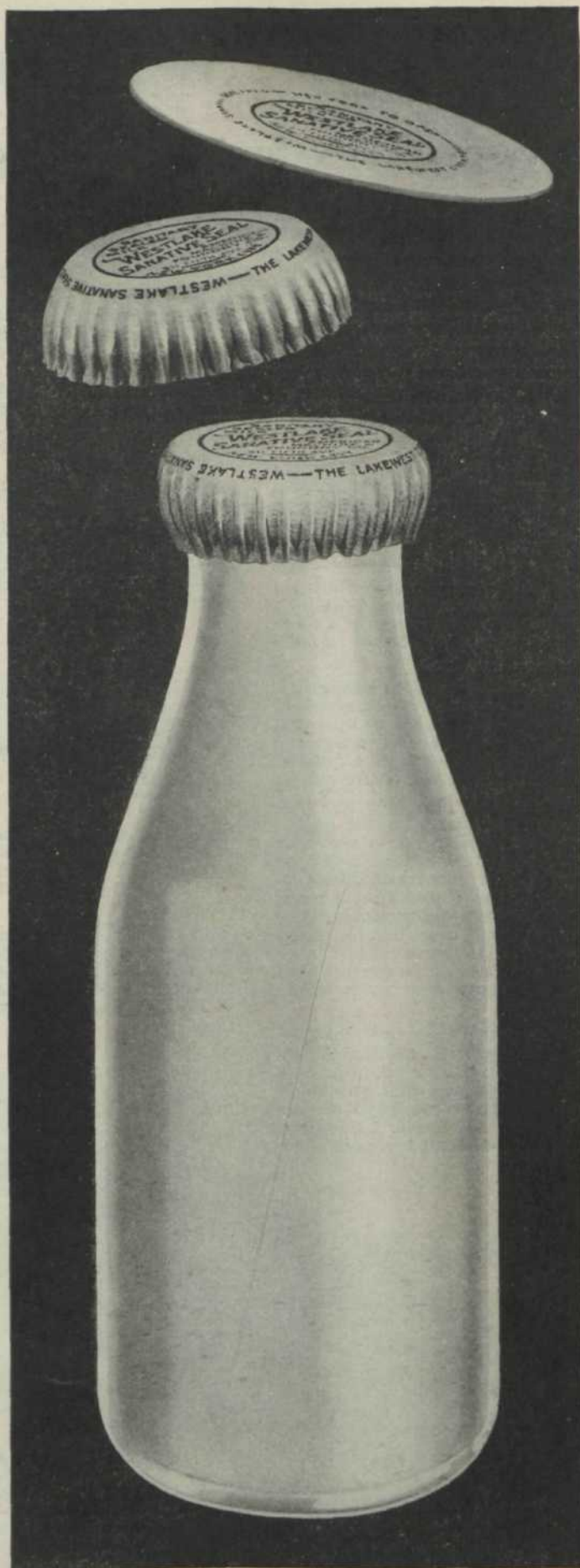
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UNDERWOOD AND UNDERWOOD

Private transportation has broken public transportation's monopoly

# The Public Must Ride—and Pay

By LUCIUS S. STORRS

*Managing Director, American Electric Railway Association*



TIDEWATER PHOTO SERVICE

**THREE THINGS** stand out in this analysis of the municipal transportation problem:

A private monopoly of taxis, buses, and street car lines is one way to gain maximum efficiency at minimum expense.

The public must pay for what it gets—eventually perhaps by fare zone systems.

In communities where street railways cannot be made self-supporting, the deficits may have to be met through taxation

**T**HE problem of local public transportation in the United States has been a serious one during the last ten years. For the last five years leaders in the industry have been giving this problem close economic study, and it may now be stated definitely that the difficulties can be solved. But such solution needs the active cooperation of the public in order that civic interests may be served. Without a solvent and paying transportation system, the growth and development of a city must necessarily be retarded.

The problem confronting the public transportation industry was necessarily fundamental, but the situation became so acute with the rapid increase in the cost of conducting business, coupled with the advance in private transportation facilities which made public transportation no longer a monopoly, that temporary and palliative remedies had to be applied. Such remedies were necessary in order that the industry might continue to function during the period in which fundamentally economic causes of the trouble could be finally determined and the really curative remedies indicated.

Of course, the first error to be corrected was that occasioned by the acceptance by both the people and electric railways of the low basic rate theory, the adoption of the five-cent rate as the one reasonable charge of transportation. It has for

many years been apparent to economists and students of the industry that this rate rarely if ever produced enough income to permit establishment of reserves against which obsolescence and renewals might be charged.

It is now generally accepted that in order to render such service as would be suitable under present conditions, the basic rate must be increased in many communities to ten cents. There is a general public acceptance of this need for a rate increase except in places such as New York City where political expediency is forcing upon the public a charge

for deficits by assessment against the tax rate.

In the days before the automobile, the electric car was the fastest vehicle on the road and it had a monopoly in public transportation. Then, too, extreme economy was not as necessary as it became when war-time conditions forced costs, including wages, to extreme high points. Therefore, development of the electric car was gradual.

But now that the electric car no longer represents a monopoly in public transportation, radical changes have had to be made. There has been developed a vehicle which will give such service as will invite the motorist to use the electric car instead of his automobile in ordinary business travel throughout the city.

With the development of the motor bus there was at one time

a belief that the trolley was doomed, that the bus could perform full transportation requirements. Now it has been proven that the street car operating over defined routes and of large carrying capacity is the only vehicle which can efficiently, economically and safely serve mass transportation requirements.

Executives of street car companies are no longer thinking of public transportation solely in terms of the street car, but are considering themselves as trustees of the public to provide city-wide service with a class of vehicle that can most satisfactorily meet the needs. Recognition





BLACK-D PHOTO SERVICE, LOS ANGELES

A major problem of transportation is that of the economic use of highways and proper allocation of vehicles to the various uses

of the fact that coordinated service under single managements is economically sound is rapidly coming about throughout the United States. Common sense and good business have compelled consolidation of separate rail car and motor bus units in most urban centers in this country. Inclusion of taxicab units in these single services is on its way. The electric railway companies in two cities, Philadelphia and St. Paul, now own the majority of the local taxicabs.

### An Unwise Competition

**C**OMPETITION between rail lines and buses in local service never was wise, but it was necessary for many communities to learn the truth of this at a heavy financial and service cost. A dozen years ago the assertion was generally made that the bus soon would fully replace the street car. A less optimistic group declared that even if the bus did not put the rail car out of business, it certainly would become the principal means of local transportation, and that quickly.

Appearance of a new vehicle was greeted joyously by local transit theorists who believed that the best way to get transportation cheaply was to put competing companies on the streets. Unfortunately this type of thinker entirely overlooked the ultimate consequences of such practice to dependable service.

Only a short time was required to demonstrate the fallacy of the assertion that the bus would wholly replace rail cars. Experiments showed that the rail car was safer and more economical in the use of space and cost of op-

eration per passenger in mass transportation than any other vehicle. Of even greater importance, it was the one vehicle that could move expeditiously. In order to prove these facts, however, it was necessary to cease rendering rail-line service in some cities. Akron, Ohio, Des Moines, Iowa, and other cities tried exclusive motor-coach service with disastrous effects on business.

Perhaps the most potent argument in favor of rail-line service for urban centers is found in the fact that no city in the United States of more than 30,000 population is served exclusively by buses.

Do not understand me as contending that there is no place for the bus. Several distinct places have been found for it. As a supplemental aid to the street car, the bus has been a great success. It is used effectively in outlying sections which do not warrant the expenditure of money for laying rails. Likewise it has been helpful in supplementing downtown car service. The *de luxe* bus plan, which provides a comfortable seat for every rider and makes few stops between terminals, at a high fare, has been a success in several cities.

At present electric railways of the United States are running approximately

10,000 buses. Many of them are not paying their way but this is due in part to the failure of some managements to insist upon an adequate fare. The fact that a bus ride costs more to produce than an electric car ride is no criticism of the bus; if passengers prefer to ride a bus they should be permitted to do so, but they also should be compelled to pay more for their ride.

### Reducing the Cost of Riding

**C**OORDINATION of rail systems and buses under single electric railway managements is working admirably in about 375 cities. This coordinated service has brought outlying sections closer to the heart of cities and also has reduced the cost of riding. Whereas under separate competing managements, patrons were compelled to pay two fares, they now in many cases ride both the car and the supplemental bus for one fare, or, at most, only pay the cost of a transfer.

Now, getting down to the economics of local transportation, we find that the subject must be studied with three types of requirements in mind, those of:

1. Metropolitan areas that must be provided with rapid transit routes either underground or overhead, coupled with surface transportation, by rail or bus.

2. Cities above 100,000 population which have not yet reached the magnitude or density of population that requires high speed transit arteries.

3. Small cities and suburban areas, coupled with high speed interurban routes designed for carriage of both passengers and freight.

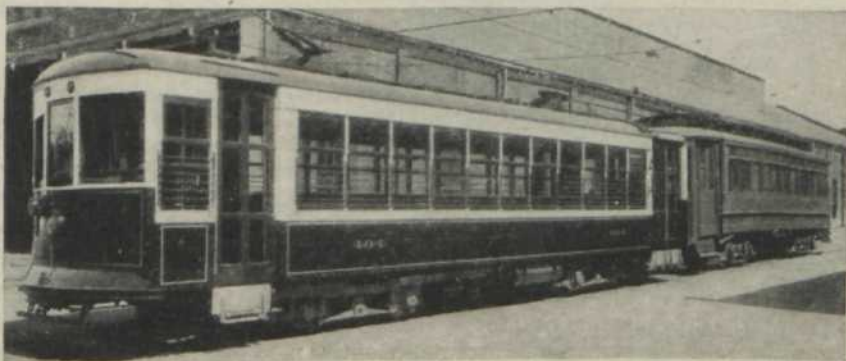
A pamphlet has been prepared by the American Electric Railway Association, produced by a committee of rapid transit experts who have been studying the problem for three years. This pamphlet contains all of the necessary statistical information on the subject, together with an economic study which is, in effect, the last word on rapid transit development.

A major fundamental problem as to surface transportation is that of the economic use of the highways and the proper allocation of such transport to the various uses.

When it is considered that an average of 75 per cent of the people using these highways for transportation avail themselves of the public transportation vehicle, it is clear that the time has arrived

for a detailed determination of the proper use of the streets. Further the principles so determined should be applied through traffic regulation.

In order that the necessary data may be available upon which to base the economic studies a committee has been at work on street and traffic economics. As a result of its delib-



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Competition with other means of transportation caused radical changes in the street cars and made them more inviting to the riding public



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64 Broad Street, New York City

eration it is expected that suggestions can be made which will have a vital bearing upon the entire subject of urban transportation.

The American Electric Railway Association is striving to help bring about a solution of the traffic congestion problem. It is cooperating with committees from other organizations now and has been working with them for several years. It has been active in the work of the National Conference on Street and Highway Safety and is strongly behind the conference's efforts.

### A Plea For Coordination

**S**INGLE ownership of all local transportation facilities makes for the economical use of street space. There should be no more street cars and buses or other vehicles on the streets than are necessary to render good service. Here may be found one of the most salient arguments for the coordination of bus systems with those of street cars and motor coaches.

The cruising taxicab is one of the most flagrant wasters of street space in our cities today. When these fleets of taxicabs are coordinated with other local common carriers, you will find their numbers cut down and all of them operated on a real business basis. The initial remedial step will be the stationing of taxicabs at definite stands. Not only will street space be saved, but the cost of operation will be tremendously lowered and the standards of service proportionately raised.

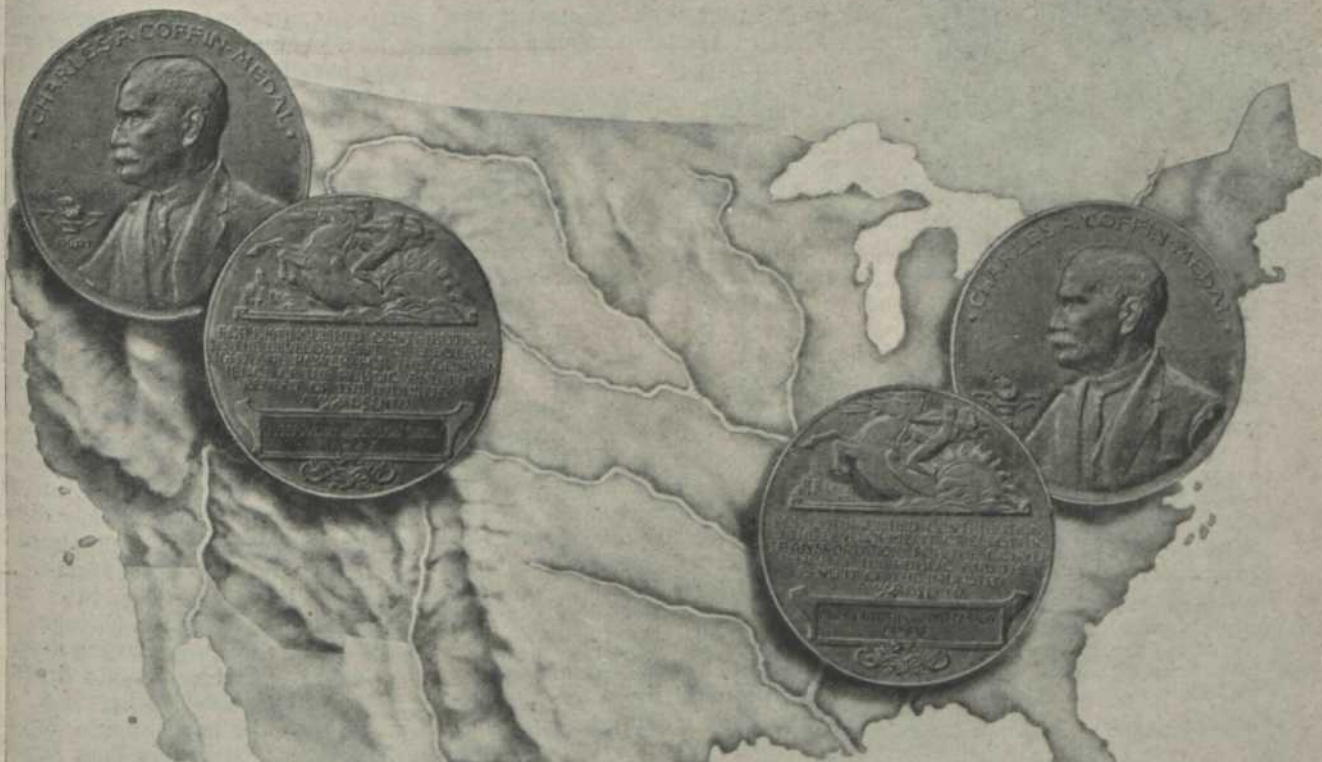
Thomas E. Mitten, of the Mitten Management, Philadelphia, and Horace Lowry, head of the Twin Cities Rapid Transit Company, are pioneers in the movement to include taxicabs in local coordinated service. Both have been operating taxicabs in conjunction with rail cars and buses for some time. Not only that, but the Philadelphia Rapid Transit Company, operated by the Mitten Management, ran an airplane service for a time between Philadelphia and Washington. The Northern Ohio Power Company, of Akron, also has a working arrangement with an airplane company near Cleveland.

No statement regarding the subject would be complete without an acceptance of the fact that public transportation can best be made available by private capital. With public ownership and operation there is not the necessary economic check upon expenditures and expansion.

With the acceptance of this premise there is the obligation on the part of the public to see to it that the transport agency, the corporation, is solvent and that the money actually devoted to this public service receives a full measure of compensation. So long as the private corporation is required to perform all of the service, the sales price of its only product, transportation, must be so adjusted as to make this corporation a profitable enterprise.

There is only one other contribution that can be made by the public and that is through the exemption of the trans-





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under the executive management of Stone & Webster, Inc., have been awarded both gold medals, Charles A. Coffin Foundation for distinguished service in utilities operation. The former Company won the light and power medal. The latter Company won the electric transportation medal.

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portation corporations from taxation, or the assessment of taxes on the public as a whole to compensate the corporation for any deficits. This method of solving the problem has been made effective in the metropolitan area of Boston and is working out satisfactorily.

A well-defined movement for the scientific study of the local fare situation now is under way in the American Electric Railway Association. Recognizing the fact that fare adjustments throughout the United States often have been the result of guesswork and compromise, the Association recently appointed a committee to make a study of fare requirements. Its duty is to find a scientific basis for fare adjustments which may be used by companies generally.

The fare record of the industry is one of some 40 years of chaos. The wonder is that any industry could have withstood so much abuse. The fact that cars still are running and buses are being operated by electric railway managements under such a haphazard system certainly is a high tribute to the inherent necessity of public transportation service.

The original fare sin was committed by the earliest promoters of electric railway properties. With hourly wages approximately one-fourth of what they are today and other costs proportionately low, these pioneers went forth and told the world that operating a street car under a nickel fare was equivalent to opening a new gold mine. Instead of telling the public the necessity for a quality service at a reasonable fare these shortsighted forefathers put a fixed-fare millstone around their necks which all but sank them.

The industry rocked along on this five-cent fare until shortly after the outbreak of the World War. Then costs increased to such a prohibitive figure that it was necessary to appeal to local regulatory bodies and finally to the United States Government for assistance.

### The Deficits Piled Up

A COUPLE of years elapsed before any general fare relief was given and by that time deficits had piled up to such an extent that one-sixth of the industry was in bankruptcy or receivership. Added to this came wildcat jitney and bus competition. However, regulatory bodies generally have continued to give relief. Today the average fare in the United States is 8.25 cents.

The highest cash fare in the country today is ten cents. While there is no serious objection to this in the majority of cities, local managements hesitate, even though they are not breaking even under a high rate of fare, to ask for a higher one. In some instances they are getting 15 and 25 cents for *de luxe* bus service.

There is indisputable proof that a low fare does not necessarily mean greatly added riders. Various companies, including the Seattle, Wash., municipal line, have made valiant efforts to retain the five-cent fare on the theory that a low fare would bring such a volume of business that it would pay better than a high

fare. It cost the city of Seattle about \$750,000 over a period of less than half a year to prove that a five-cent fare would not produce the same amount of gross receipts as a ten-cent or three-for-a-quarter fare. Various privately owned companies have learned the same costly lesson through similar experiments.

### The Zone Fare System

QUITE apart from the necessity of getting sufficient fare to pay costs is the necessity of giving a square deal to all users of local transportation. This angle of the fare situation probably is the most unscientific and unfair part of it. The European zone fare has never been satisfactorily introduced on a general scale in this country. Under this plan, each rider pays for exactly what he gets in mileage, just as he does on steam lines. This is, however, at variance with our American theory that a single rate for city-wide service tends to a wider distribution of the population and thus leads to less concentration in tenement areas.

Consider the difference in rates paid by riders in London and in Chicago. In London, under the zone fare system, a rider pays as much as 48 cents, depending entirely on how far he rides. In Chicago the rider pays a single fare on both elevated and surface lines regardless of whether he rides one block or more than 30 miles, the maximum haul.

When one considers all these facts, there is no more ludicrous situation in local transportation anywhere than in New York City. There politicians still are contending that five cents always has been and always should be the standard price for a car ride, regardless of advancing costs and other changing conditions. The truth is that on the old transportation lines in New York the actual cost of carrying every rider is about 7.5 cents. The difference between the five cents and the 7.5 cents is being made up in taxes.

The cost of carrying a rider on the new subway now under construction will be approximately 9.33 cents. For the first three years of its operation the 4.33 cents deficit also will be met from taxes.

The five-cent fare is being maintained in New York solely because politicians think it is good politics. Some day the truth about costs will become known in New York City and then it will be interesting to see what explanation the ardent advocates of the five-cent fare have.

It is not impossible, however, that the very subsidy system now being used, without the general knowledge of New York's taxpayers, some day will be in vogue in many communities with the full knowledge of taxpayers. Providing service at a low fare which does not meet the cost of the service and paying the deficit out of taxes is being advocated by transportation leaders for communities where receipts adequate to meet operating costs cannot be obtained.

That public transportation is a necessity in cities of any size has been clearly demonstrated. Likewise it is patent that some one must pay the whole cost of this



**"What would have been a tedious, monotonous task for some high-priced man *is now done* under his supervision, *by a junior clerk*"**

*Press Publishing Company's Comment  
on the Todd Check Signer*

THE following letter from A. S. Van Benthuyzen, Assistant Treasurer of the Press Publishing Company, publishers of *The World*, New York, gives clearly the progressive, modern point of view responsible for the remarkable success of the Todd Check Signers:

"About a year ago we started paying our employees by check. As your representatives know, we had a very difficult and complicated problem to solve before we could effect the change. With thousands of checks weekly, machinery that could reduce the physical work was essential. *Human energy can be used to far better advantage than doing work that can be done faster and as well, if not better, by a machine.*

"We installed a Todd Check Signer and a Todd Super-Speed Protectograph and have never had any reason to regret the act. What would have been a tedious, monotonous task for some high-priced man is now done, under his supervision, by a junior clerk. The time involved is infinitesimal as compared with the time that would be necessary were we dependent upon old-fashioned methods.

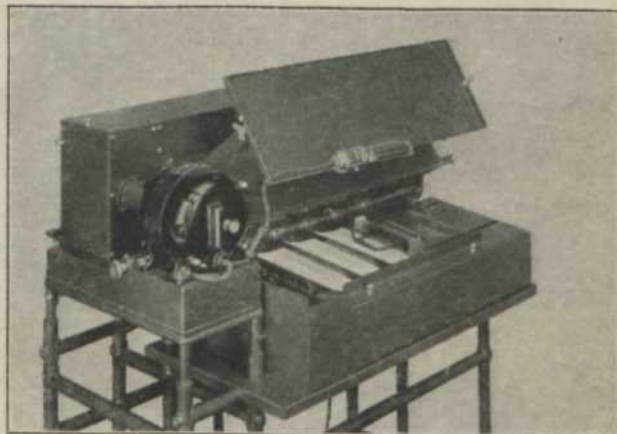
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transportation. Private managements have been struggling now for a decade to devise ways and means to make the service self-sustaining and in a great many instances they have succeeded. It seems impossible in some communities, usually smaller cities, to devise means of breaking even. In such places the public sooner or later must decide whether it wishes to make up the deficit from taxes, or let public transportation go by the board.

But the industry moves forward. Only two or three large electric railway properties under private managements in the United States now are in receivership, whereas a dozen years ago one-sixth of the entire industry either was bankrupt or in receivers' hands. The largest property in receivership, the Chicago Surface Lines, offers a rather amusing sidelight on what strange things can happen in the local transportation business when it becomes involved in politics. Because of the inability of Illinois public officials to decide on what kind of franchise the Chicago Surface Lines should have, this property, without a franchise, now has been in receivership for more than a year.

Yet in the face of this receivership, the

property is being operated as well as any in the United States and is showing a constantly increasing volume of business. A report on the line's October business showed it to be the largest in its history.

In an earnest endeavor to continue to make private operation possible, most managements have revolutionized their methods in the last ten years. Today they are an energetic crowd of real salesmen, striving to give the highest quality of service and to sell it by the most enlightened methods.

More than \$1,000,000 a day was spent in 1927 to modernize electric railway properties and approximately \$250,000,000 was spent in 1928. The number of passengers hauled annually is about 16 billion and the capital investment of the industry is about \$6,000,000,000. A million and a half persons have money invested in the industry and 300,000 are dependent on it for their livelihood.

Knowing practically all of the public transportation managements in the country, I have every confidence that they are going to be able to devise ways and means to make private operation continue. If they fail, then there must be public operation—and the taxpayer will pay the bill.

## We Hear from the Youngsters

**A**S far as I can see, all Mr. Collins wrote was a well-paid article with a catchy title containing no particular information."

In this pithy fashion Miss Irene Kushner, member of the Business English class at the Dunkirk (N. Y.) High School—and a high-ranking one, we warrant—concludes an essay on James H. Collins' article, "Has Your Business Sex Appeal?" which appeared in the December NATION'S BUSINESS.

Just how Mr. Collins will accept her comment we don't know, but the title writer bows modestly and the editor's melancholy, roused by this reminder of past disbursements, is tintured with a lively interest in the group of essays of which Miss Kushner's was one. George W. Rounds, teacher of the Business English class, in sending these essays along to us, remarks that he finds NATION'S BUSINESS extremely helpful in the teaching of business subjects. But, he adds, his pupils agreed in disagreeing with Mr. Collins' thesis. So we subjoin a few of their verbal shafts as interesting samples of what the business men and women of tomorrow think about Mr. Collins' expression of current business thought.

Young John Hudson's remark is representative of a general objection brought by his classmates against Mr. Collins' contentions:

"It is not the women that caused the merchants to display their goods and manufacturers to beautify their products," John writes. "It is competition

that has caused the changes. If one of a pair of rival hardware stores rearranges its goods so as to display them before the public, the purchasing public will go to that store. The other store, in order to compete with its rival, will display its goods a little more artistically."

Earle Monroe, whose cynicism belies his years, contributes the opinion that "a clerk can sell a woman anything if he flatters her."

"May I ask," he continues, quoting our Mr. Collins' statement that women buy 81 per cent of all groceries sold, 78 per cent of the pianos, and 75 per cent of men's hose, "how Mr. Collins was able to gather these figures?"

Albert Lewis also evinces a skeptical mind—and the utmost candor—in declaring, "Mr. Collins made an untrue statement when he said that women buy more than half the automobiles, drive them more than half the time and buy more than half the gas. Any observant person, can see that more than half the drivers are men and therefore more than half the men will buy gas."

Referring to the forthright Miss Kushner's essay again, we find this *coup de grace*:

"Mr. Collins says that women do not bargain! I would like to ask him if he ever clerked in a store and waited on women customers. I think he would quickly change his mind. He says that women won't be hurried in buying. That is nothing; she won't be hurried while dressing or eating either!"





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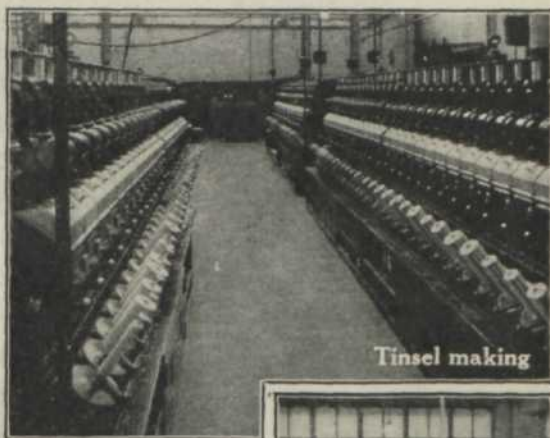
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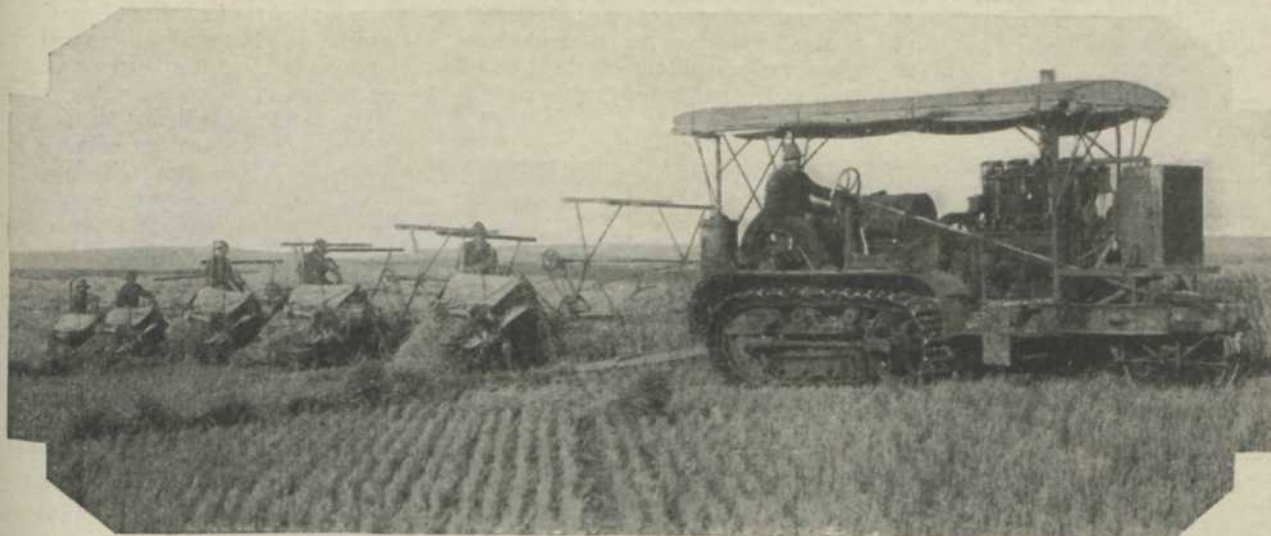


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The wheat production of Canada may well be described as the meal ticket of the Canadian people



CANADIAN NATIONAL RAILWAYS

## Canada's New Prosperity

By SIR HENRY THORNTON

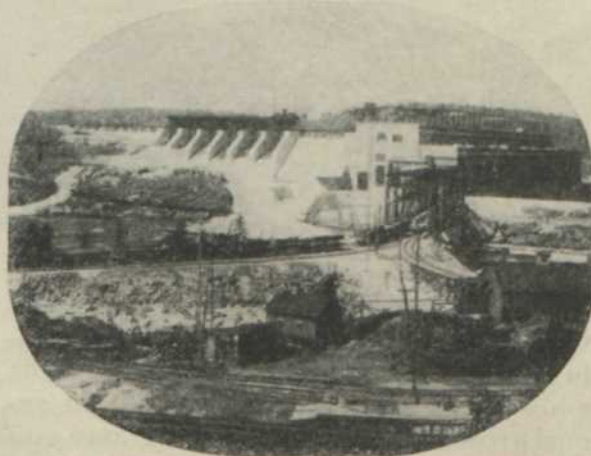
*President, Canadian National Railways*

CANADA today is advancing with rapidity, and progress is marked in all lines and visible in all sections. While we in Canada have advanced in agriculture, commerce, and industry, we have also advanced economically so that today the Dominion is in a sound position and quite capable of submitting to any and all of those tests which bankers and financiers require when considering the solvency of a country, an individual, or an institution. We reaped in 1928 by far the greatest crop that Canada ever produced. A tremendous purchasing power, as a result, is available for the farmers, especially in Manitoba, Saskatchewan and Alberta.

The foundation of Canada's prosperity is based upon several important factors in primary production, those of agriculture, forestry, mining, fisheries, and a further important factor, that of electric power developed from the waterways of the Dominion.

Foremost of these factors are the productions of agriculture, of which wheat forms the most valuable, but by no means the sole contribution. Other important contributions which appear in the export trade of the country are farm animals, dairy products, poultry and eggs, fruits and vegetables, and tobacco. The wheat production of Canada may well, however, be described as Canada's meal ticket.

Canada has had for many years a considerable surplus of wheat over and above the needs of the domestic markets and steady streams of grain have



Every industrial center in the Dominion is now served with hydroelectric energy and has ample reserves for the future

flowed to Europe and to the Orient. This exportable surplus also appears in other channels in the form of flour, and in this respect Canada and the United States appear as keen competitors in those world markets which must purchase their wheaten flour from without.

### The Basis of Prosperity

AGAIN there is an appreciable flow of the highest grades of Canadian hard wheat towards the mills of the western United States, and as there appears to be a further increase in the demand for white flour, owing to higher standards of living, it is certain that Canadian flour will continue to sell largely in the markets of the United Kingdom and elsewhere.

Wheat is the basis of Canada's economic prosperity, but the next most important factor is the forests, revenues from which have been increasing consis-

tently with the passing of every year.

The forests of Canada not only provide the raw material for saw-mills and pulp mills, but in addition provide annually about 16,000,000 railway ties, 1,000,000 poles for telegraph, telephone and power lines, 14,000,000 fence posts, more than 8,000,000 cords of firewood, together with piling, round mining timbers, square timber for export, wood for distillation and charcoal and excelsior manufacture, bark and wood for tanning extracts, maple syrup and sugar, and a number of minor products.

The lumber trade of Canada has quite a history. It is recorded that the first shipments from this country to Europe were in 1667 during the French regime and consisted mostly of square timber and masts for the navy. Export to England began to develop in the early part of the nineteenth century. Quebec then became the center of the square and waxy timber trade and between 1860 and 1870 great fleets crowded the harbor there and carried vast quantities of timber to British ports.

Then came a change in conditions and trade relations, the center of the industry shifted and gradually the export trade swung around towards the United States.

At the conclusion of the last fiscal year for which official figures are available, the total value of exported sawed lumber and other unmanufactured or partially manufactured forest products was \$107,855,000, of which \$89,750,000 worth went to the United States and \$8,066,000



worth was sent to the United Kingdom.

It is, however, when we come to forest products in the form of pulp and paper that the most interesting situation is found. This industry is of recent growth and in the last decade the development has proceeded at a high rate of increase.

Harking back to 1908, the Canada Year Book is authority for the statement that in that year 1,325,085 cords of pulpwood were cut. The average value per cord is given at \$5.84 and it is shown that of the total production 36.4 per cent was used in Canadian pulp mills, while 63.6 per cent of the production was exported unmanufactured.

#### Wealth From Timber

**T**AKING the same governmental authority and comparing the figures quoted in the foregoing with those for the last fiscal year, a tremendous change is found. To begin with, the production rose to 5,621,305 cords at an average value of \$12.14 per cord and of the total production 75.2 per cent was used in Canadian pulp mills, and 24.8 per cent was exported unmanufactured to the United States. Here is a concrete example of the development of Canadian industry in one section alone and one which demonstrates the ability and enterprise of Canadian business men.

This industry in Canada includes three forms of industrial activity, the operations in the woods, with pulpwood as a product, the manufacture of pulp, and the manufacture of paper.

There has been a steady rise in the production and value of paper in all forms, but chiefly that of newsprint. Newsprint forms about 80 per cent of the annual paper production in Canada, and in 1927 Canada manufactured 2,082,208 tons of this material, making her the largest producer of newsprint in the world.

Four-fifths of Canada's pulp and paper shipments go to the United States and it is estimated that two-thirds of the newsprint consumed in the United States is either of Canadian manufacture or is made from wood or pulp imported from Canada.

The importance of the forest products industry will be realized when it is noted that there are over 6,600 establishments of all sorts engaged with a capital invest-

ment of over \$907,000,000, employing 128,000 persons and paying salaries and wages of approximately \$149,000,000 annually. The gross value of products in these various phases of the lumbering, pulp and paper industry was more than \$557,000,000.



**CANADA'S** waterways are important adjuncts to her timber industry, as the aerial view above and the photograph below illustrate. The Dominion's forests provide a host of products—products with an annual gross value of more than \$557,000,000



The third important factor in the economic life of Canada is the mining industry, and here, indeed, is real romance coupled with a definite practical development which has added greatly to the financial resources of the Dominion. That part of Canada which at one time was regarded as a barren waste, roughly, the area lying between the Great Lakes and

Hudson Bay, has become one of Canada's greatest assets.

In that part of northern Ontario where mineral production first commenced on large scale there has been a tremendous expansion in the production of gold, silver, nickel, copper, and all of the more important metals. From this area the mineral belt extends northeast to Labrador, and northwest toward Alaska. There have been wonderful discoveries and developments in northern Quebec, where the growth and expansion of a mine such as Noranda has been a striking feature.

#### Tapping New Fields

**T**O serve this and other properties, the Canadian National Railways constructed a branch line from the main transcontinental line and this expansion brought into being two new communities, Noranda and Rouyn. This part of northwestern Quebec is a copper-gold country and the establishment at Noranda of a modern commercial smelter has placed the industry in that territory on a sound basis.

The cobalt area and its development have been of great value as have been also the gold fields which were opened up following the railway extension through that section. Previously, there had been the discovery of the vast nickel-copper deposits of Sudbury, which are the most important known and which are extensive enough to supply a large part of the world's requirements.

There are mineral deposits in all the provinces of Canada, except Prince Edward Island. There are highly developed coal fields in Nova Scotia which produce a little more than one-third of the total Canadian output. Also in Nova Scotia, and its neighboring province, New Brunswick, gypsum deposits are of importance. New Brunswick boasts deposits of antimony that promise to be of considerable value, as well.

In Quebec reference has been made to the rich copper fields, but of prime importance are the asbestos deposits of the eastern townships which today supply most of the world's needs. The various Ontario fields are, perhaps, better known, but there remains great scope for future development.

In Manitoba the Flin Flon area is now





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Before his time trees were more or less generally the victims of neglect and often of abuse. John Davey conceived a great idea; he studied the sciences to provide a basis for his theories, and then worked out a systematic method of treating trees

to save them. This was nearly a half century ago.

Only occasionally is a man permitted to give the world a new idea. John Davey did more than this. He created a philosophy, built around his new science and based on the essential principle that the tree is a living, breathing organism.

To him this whole thing became a great ideal. Under his forceful and devoted leadership there was developed a system of principles in practice and conduct, of business and professional ethics.

No man can continue in the Davey Organization, although John Davey has been dead six years, unless he remains true to the science, the philosophy and the ideals of the founder. You can trust Davey Tree Surgeons. They will do only those things that ought to be done in your interest.

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MARTIN L. DAVEY, President and General Manager





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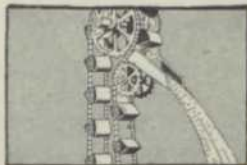
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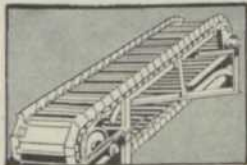
## Bartlett - Snow



SKIP HOISTS



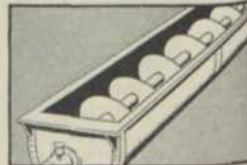
BUCKET CONVEYORS



APRON CONVEYORS



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SCREW CONVEYORS

**ELEVATING CONVEYING PROCESSING MACHINERY**



attracting attention and its further exploitation will be accelerated on completion of the branch line which the Canadian National Railways has under construction into that territory from The Pas.

In Alberta the coal fields are of paramount importance. Natural gas is found and of late there has been considerable activity in drilling for petroleum. There are also large deposits of bituminous sands.

In Saskatchewan there are conditions in the southern part favorable to the production of nonmetallic minerals in considerable volume, with lignites, brick clays and refractory clays.

The mountain belt in British Columbia has gold, silver, copper, lead, and zinc and an important smelting industry has been established at Trail. At Anyox there is a large copper smelting plant.

#### Canada's Mineral Development

THE extent of the mineral development of Canada will be realized on reading the report of the mineral and metallurgical branch of the Bureau of Statistics, which shows that in the world's production the Dominion is first in nickel, first in asbestos, first in cobalt, third in gold, fourth in coal and copper, and sixth in zinc. In 1927 Canada established a new record for mineral production, the value of the output from the industry reaching a total of \$247,356,695.

The fact that many of the principal mineral productions reached higher totals in the first half of 1928 than were reached in the similar period of the preceding year, points to a continuance of prosperity in the mining industry.

Other natural resources which play a considerable part in the economic life of Canada are to be found in the fur trade and the fisheries, both of which industries have had an important place in the exploration, discovery and exploitation of great stretches of the Dominion. These two industries were interrelated in the earlier days because the Basque and Breton fishermen from the "Banks" traded fish for fur, and, later, the English navigators who failed in their search for the northwest passage were followed by the fur-trading ships which followed charted routes into Hudson Bay.

#### Fishing Grounds Are Vast

THE fishing grounds of Canada are said to be the most extensive in the world, including the Atlantic and the Pacific seaboard and inland waters. While a large proportion of the catch is used in the domestic market, a considerable part is exported, the United States being the largest purchaser.

Apart from the commercial fisheries, the game fish of Canada form a great attraction for sportsmen and while stern economists might preclude this item from a serious discussion on industry and development, nevertheless, it should receive consideration. The game fish found in the Maritimes, in Quebec, Ontario, and the western provinces, certainly possess

# "I can cut your fuel bill in half"



## Declared the Louisville Drying Engineer

"That's welcome news," said the President. "How in the world can you accomplish such a saving?"

"Well," the L.D.E. explained, "a Louisville Dryer utilizes twice as much of the heat input as does your present dryer. Therefore it requires only half as much fuel."

"I see!" interjected the General Manager. "But will it dry as efficiently as the method we now use?"

"Far more so," asserted the L.D.E. "It will improve the quality of your product, deliver it continuously instead of intermittently, and require only one attendant instead of the six you now have."

"That sounds almost too good to be true," said the President. "What assurance can you give us that you are able to fulfill these claims?"

"Just this," replied the L.D.E. "I represent a company that for forty years has specialized in building dryers. To date we have satisfied more than a thousand manufacturers in fifty different industries."

"Speaking, as I am, from the standpoint of a trained drying engineer, my statements are based on practical experience. They are *not* sales talk. In any event, we shall be glad to guarantee in writing the results which I have mentioned, and my company has a 100% record in fulfilling guarantees."

Then there another manufacturer decided to avail himself of the savings afforded by Louisville Dryers. Regardless of the type of dryer you now use, or how well satisfied you may be with it, a consultation with a Louisville Drying Engineer may lead to big economies. Such a consultation either by mail or in person, costs nothing and involves no obligation.

**LOUISVILLE**  
DRYING MACHINERY  
COMPANY.

Incorporated

Hull St. and Baxter Ave.  
Louisville, Ky.

Cable Address, Loudry, Louisville, Kentucky

## 5 Ways to cut drying costs

1 The first way is to permit Louisville Drying Engineers to make a study of your drying problems. They will recommend a Louisville Dryer which will . . .

2 Cut fuel expense from one-third to one-half in many cases.

3 Deliver dried material continuously, thus permitting of uninterrupted plant operation.

4 Cut the number of attendants needed to one in most instances.

5 Reduce the amount of floor space required as much as 80%.



**The Answer to Competition—**

Is given in  
this  
Survey  
Send for it  
today



## Lower Production Costs in SPARTANBURG

Where location and transportation facilities allow distribution in all markets, where raw materials abound, where labor is plentiful and where power costs less.

**Get The Facts**

Write today for a copy of the Spartanburg Survey, which gives real information on the factors affecting the costs of Production and Distribution in this area.

INDUSTRIAL COMMISSION—CHAMBER OF COMMERCE, 1400 MONTGOMERY BLDG., SPARTANBURG, S. C.

## SPARTANBURG



*"The Hub City of the Southeast"*

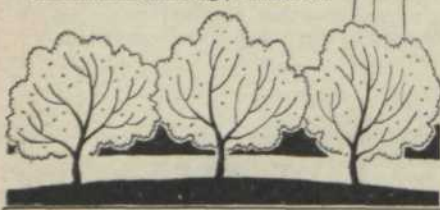
**SOUTH  
CAROLINA**

## Washington's Cherry Blossoms

THE GLORY of the Nation's Capital at Springtime can be your own for years to come. Interest your community in blossoming cherry trees for parks. Buy them also for your country and suburban homes. Varieties may be selected for all localities.

Write for our booklet, "Japan's Living Gift to Washington."

ROCK CREEK NURSERIES  
M. G. Coplen  
McLachlen Bank Bldg., Wash., D.C.



## "Self-Government In Business"

By JULIUS H. BARNES

President, Barnes-Ames Co., New York

A CONCISE treatment of the American theory of individualism written by a prominent business man who speaks from experience.

Booklets of the above article, 3 1/2" by 6" in size, will be furnished to readers of *Nation's Business* at two dollars per hundred copies. Sample sent on request.

**NATION'S BUSINESS**  
Washington, D. C.

an economic value because of returns from leased waters, the expenditures of clubs and of individuals, many of whom cross the border year after year in pursuit of trout and the lordly salmon.

**Finny Messengers of Good Will**

THE real importance of this is not perhaps in the direct financial return, but rather in the fact that the majority of those who cross into Canada are statesmen, financiers, manufacturers, artists, and writers, who leave behind them excellent impressions and take away pleasant memories, thus serving towards the spread of the better understanding between neighbors which all good men desire.

So far I have been dealing with primary production and it is my intention further to discuss natural resources without any reference to secondary production. It may well serve the purpose of this article, however, to note that agriculture represents 40.4 per cent of the total value of production in Canada, whereas manufactures represent 40.9 per cent. It is well to observe that fact because many people outside the Dominion seem to think that Canada is almost entirely an agricultural country.

Interrelated with the development of natural resources and the growth of manufacturing is another great natural resource, that of water power. Every industrial center in the Dominion is now served with hydroelectric energy and has within easy transmission distance ample reserves for the future.

It is estimated by the Water Power Branch of the Dominion Government that the present recorded water power resources of the country will permit of turbine installation of about 43,000,000 horsepower, while the present turbine installations represent slightly over 11 per cent of those resources.

There is available water power in all provinces, but the chief sources are in Ontario and Quebec. I venture to predict that these provinces will become the great manufacturing centers of North America. Already a number of corporations and companies with headquarters in the United States have found it profitable to establish branch factories in Canada.

**Many Motor Cars Are Exported**

CANADA has preferential tariff relations with the United Kingdom and other countries within the British Empire which permit of reduced customs rates being applied to the entrance of the produce and manufactures of each country. Automobile manufacturers have availed themselves of this condition to a considerable extent and it is a common sight in the ports of Vancouver and Montreal to see strings of railroad cars laden with crated automobiles destined largely for the Antipodes, the Africas and the British Isles, all labeled "Made in Canada."

Recently, there passed through the port of Montreal a consignment of a popular make routed to Rangoon, which suggests

that Kipling may yet be forced to write a new version of his narration of what happened "on the road of Mandalay."

Possessing as she does great natural resources and cheap power, Canada yet requires another important factor in order to achieve the full measure of success which such possessions merit, that of adequate transportation and the widest possible extension of the means of communication.

The Dominion has an extensive waterways system serving Ontario, Quebec and the Maritimes. The country is well served, also, by its railways, operating, as they do, over 40,000 miles, which, I think, establish the enterprise, the courage and the financial ability of a nation possessing a population of less than 10,000,000.

Canada stands second to the United States in railway mileage, a long way after, it is true, but second, nevertheless, and surpassing such countries as British India, Germany, France, Russia in Europe, Australia, Great Britain, and Argentina.

There is in the United States a movement towards the consolidation of railways but in Canada such consolidation is a tangible fact, there being two transcontinental lines which share between them by far the largest part of the mileage.

The railways of Canada give work to nearly 200,000 employees, pay in salaries and wages something like \$255,000,000, and carry annually in freight more than 105,000,000 tons of all commodities. There are railway problems in Canada, yet I will venture the opinion that given an appreciable increase in population these problems will rapidly diminish in importance.

**Canada's Immigration Policy**

THE matter of population is one which is always paramount in Canada and even now it is being widely discussed.

Canada has been fortunate in maintaining a selected immigration. Restrictions have undoubtedly lessened the flow of people to this country, but these restrictions have also resulted in a particularly good type of people coming from Europe.

I might also draw attention to the fact that for several years there has been a movement of farmers from the western states into the western provinces.

Although I have not traversed the entire ground of Canada's agriculture and industry, I have tried to show that her resources are well diversified. Canada has vast natural wealth and the power and transportation facilities necessary for marketing the products of her fields, mines, forests, fisheries and factories.

There are great opportunities within the country and they await the man of intelligence, enterprise, and industry. It will not be an easy task to find fortune, nor has it ever been an easy task, but the opportunity is there for the man who is willing to make sacrifices, to work hard, and to conform to laws which impose no great burden upon a good citizen.



# Motors that wear

# TWO

# Name Plates

*We cordially invite anyone interested in the manufacture or sale of fractional horsepower motor appliances to inspect personally our factory and facilities.*



Throughout the land, some 20,000,000 small electrical motors are at work . . . increasing production, speeding up processes, shouldering the burdens of men and women in all fields of endeavor.

Every motor of these millions bears a double burden of responsibility. It must uphold the reputation of its own builder . . . but it must also safeguard and contribute to the reputation of the appliance manufacturer . . . who benefits from its dependable performance or suffers from its faulty design and construction.

What problem, then, deserves more thorough and

careful investigation than the selection of a source of supply for fractional horsepower motors? The Domestic Electric Company invites such investigation . . . of its facilities, personnel, organization and financial position . . . on the part of appliance manufacturers.

Only when the appliance itself has been carefully studied . . . when electrical and mechanical requirements have been fully tested and markets and uses analyzed . . . can a *special* motor be designed and built for most efficient service. And we insist that every Domestic motor shall wear with credit both our own nameplate and those of our customers.

THE DOMESTIC ELECTRIC COMPANY  
7209-25 St. Clair Avenue Cleveland, Ohio

**Domestic**  
FRACTIONAL HORSEPOWER  
**Electric Motors**



SMALL MOTOR MANUFACTURE • • APPLIANCE ADVISORY ENGINEERING

(137)





## The mild, even Climate of NEW ORLEANS ... will increase your Factory Production

Build your factory in an industrial zone where the year 'round sunshine---and fresh air---with mild, equable temperature---is a strong factor in the making of profits.

Tempered by Gulf breezes, the climate of NEW ORLEANS on the whole is delightful, and extremes of temperature are almost unknown. Ice is a rarity, and snow a romantic mystery to thousands of school children who have never seen it.

The effects of cooling, healthful salt breezes from the Gulf of Mexico during the summer are reflected by the public health record which shows almost an entire absence of heat prostrations. Rarely does the thermometer reach 95°.

### An Ideal Manufacturing Climate

Because of the mild temperature in the Nation's Second Port, the South's greatest Industrial City, living costs rank among the lowest in America; and labor is notably efficient in summer and winter.

Almost without exception, New Orleans factories of national industries outdistance their sister-plants in other cities in productivity per unit of labor cost.

Write for the names and experiences of some of these producers---ask for the Survey of Facts compiled for you by a nationally-known engineering firm.

New Orleans Association of Commerce  
Room 301 : : New Orleans, U. S. A.

## The Auto Turns Cosmopolitan

By CHAUNCEY D. SNOW

*Assistant to the President,  
Chamber of Commerce of United States*

A DISTINCTLY international flavor marked the recent New York Automobile Show. England, France, Germany and a dozen other nations were represented among the foreign manufacturers and dealers who rubbed shoulders with the thousands of American visitors and exhibitors.

Foreign cars on display attracted a full share of attention. "Motorizing the World" was a recurring phrase at the international motor trade conference held during show week under the auspices of the National Automobile Chamber of Commerce.

Perhaps it is fair to comment that the interest in the foreign cars exhibited was not in direct proportion to their length of wheel base, their gross tonnage, or their bank account displacement. Probably every visitor at the show was interested in the exhibit of the tiny British car known as the "Austin Seven"—famed in song and story in England.

This little foreign exhibit, with its 74 inches of wheel base and general dimensions not greatly exceeding those of an office desk, was not for the purpose of encouraging sales of the car in this country at this time. Rather, as Sir Herbert Austin himself put it, it was to get the reaction of the American public to a vehicle of this kind. Sir Herbert was guest at the show, as were some of his colleagues in the British motor industry, and some of the officials of well-known automobile companies on the Continent.

### Foreign Dealers Predominate

BUT among the foreign visitors the predominance in numbers at the trade conference was registered by the foreign dealers—most of them dealers in American automobiles in various parts of the world. All told 110 of them registered for the trade conference, and many more came to the Show during the week.

The trade conference was marked by the same spirit of free interchange of information between the manufacturers and dealers in different countries that has been one of the striking features of the international automobile business.

There was general applause when Alfred Reeves, general manager of the National Automobile Chamber of Commerce, announced that any information of use in the marketing of automobiles which the National Automobile Chamber of Commerce could supply would be available to the foreign dealers.

Alvan Macauley, president of the National Automobile Chamber of Commerce, and John N. Willys, chairman of the Export Committee of the Automobile Chamber, extended a cordial welcome to

Favorable  
Labor Situation...



Unusual  
Transportation  
Facilities...



Primary  
Market For Staples



Gateway  
to Latin-America...



**"WHERE PRODUCTION & DISTRIBUTION COSTS ARE LOWER"**

When writing to NEW ORLEANS ASSOCIATION OF COMMERCE please mention Nation's Business



the visitors from abroad. The organizations of American automobile dealers had a large part on the program. Steps that have been taken in the way of dealer cooperation in cities of the United States were discussed in detail for the benefit of the foreign dealers.

Herbert Buckman, general manager of the Cleveland Automobile Dealers and Manufacturing Association, surprised a good many of the foreign automobile traders with his account of the frank and free interchange of trade information between competing dealers in our markets. The well-known "trade secret" which bulks so large in the minds of the merchants in many foreign countries appeared to have been eliminated from the picture in this country. Buckman and C. A. Vane, general manager of the National Automobile Dealers Association, told such impressive stories of the benefits of dealer cooperation in the merchandising of automobiles and in running the service and accessories and parts departments that new visions of possible profits were glimpsed by many of the visitors from abroad.

#### Freer Interchange Is Urged

H. L. WYNEGAR, president of the Commercial Credit Corporation, speaking on the subject "Time to Pay for the Motor Car," described some of his recent experiences in the extension of American commercial credit operations in the automobile business in Europe. Wynegar had come into intimate personal contact with "trade secrets" in the course of some of his negotiations with those interested in automobile finance in Europe, and impressed on his foreign hearers the necessity for a freer interchange of commercial credit information.

The foreign visitors, accompanied by guides and interpreters, were given a special tour of the Show and were special guests at the annual banquet. Arrangements were also made for the foreigners to be taken on personally conducted tours through the automobile factories in Detroit and other centers of the industry in this country following the Show.

"A million cars for export in 1929" was adopted as the slogan of the automobile manufacturers. Enlarged production schedules were a matter of such current comment that some of the manufacturers assured foreign delegates that, if they wanted to take more than the million, the American industry might be prepared to deliver as many as a million and a half!

There was no mistaking the growing importance which the American automotive industry attaches to the foreign outlets for our automotive merchandise. The American manufacturers, through the National Automobile Chamber of Commerce, have already done more intensive and extensive trade promotion work abroad than any other American industry. Preparations for further trade promotion work abroad have already been announced, and if the million car export mark is not surpassed in 1929 it will not be for lack of organized effort to that end.

## Armour & Company also use the Telephone Typewriter



*It sends typewritten instructions over telephone wires from their general office to two remote plants, one four and the other five miles distant!*

If your office and plant are widely separated, Teletype... the Telephone typewriter... will solve the problem of transmitting messages, orders and even intricate specifications quickly and accurately.

By means of this remarkable device a typist in your general office can send *typewritten* instructions over telephone wires to far-removed plants, branches or warehouses as rapidly as she can type them.

As the sender sees exactly what is being printed by the receiving machine, errors in transmission are virtually impossible. Machines can be used in either direction, thus making it possible to send a message and receive a reply within a few minutes' time.

A distinct advantage of Teletype is that it provides a typewritten record for filing at both ends. It combines the speed and convenience of the telephone with the authority and permanency of the printed word.

Telephone Typewriter service is not expensive, and will pay for itself repeatedly by eliminating errors, doing away with messengers and speeding up the flow of business. Without obligation, permit us to demonstrate how Teletype can save time and money for you.

#### Notable Users

▲ ▲ ▲

Ford Motor Co., Detroit  
Insurance Co. of North America, Philadelphia  
American Can Co., Chicago  
Detroit Edison Co., Detroit  
Union Trust Co., Pittsburgh  
New York Central Railroad, New York  
Roosevelt Hotel, New York  
Radio Corporation of America, New York  
General Electric Co., New York and Chicago  
American Surety Co., New York  
American Radiator Co., Chicago  
Armour & Co., Chicago  
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## Somewhere South of the Floorboards...

When snow crackles under your feet and you know it's cold by the breath you blow, there's a battery crouched 'neath your floor boards alert for the signal to go,—as ready at ten below as ninety above—if it's the battery men call Vesta.

### KEMP A GOOD INVESTMENT SAY VESTA ENGINEERS

The Improved Kemp Automatic Gas System became a part of Vesta Battery somewhere back in twenty-two. With faithful persistence Kemp has been helping Vesta increase production with less labor, helping achieve and maintain the highest standard of quality—constantly bettering working conditions in the plant, and making tremendous savings in fuel possible. That's Kemp's record with Vesta.

Because Kemp renders a service unparalleled in using municipal or natural gas—because Kemp is Automatic—always correct in air and gas proportion—mixed at one central point—because it renders even, easily obtained temperatures, such records are the rule whether Kemp makes the nation's batteries or bakes a million cakes.

What Kemp means to Vesta Battery, Kemp is ready to mean to you—whatever you manufacture or finish with heat.

#### What The Improved KEMP SYSTEM Can Do For You?

Your free copy of illustrated book explaining advantages of Improved Kemp Automatic Gas System is ready. Just send your letterhead—no obligation.

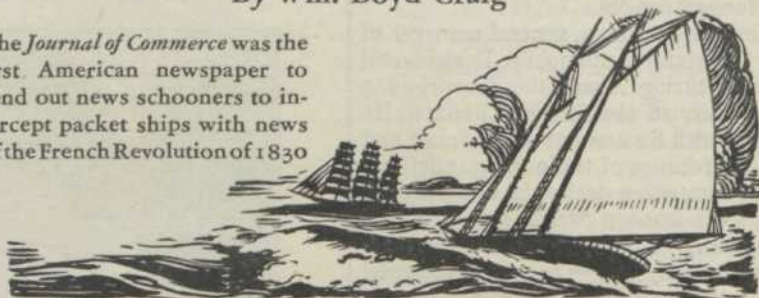


BALTIMORE, MARYLAND  
When writing please mention Nation's Business

## What Other Editors Think

By Wm. Boyd Craig

The *Journal of Commerce* was the first American newspaper to send out news schooners to intercept packet ships with news of the French Revolution of 1830



THE commissary store of the Ford Motor Company at its Fordson plant has been closed permanently and it has been unofficially stated that the company intends to close its two remaining commissaries in the Detroit district within a short time," writes C. W. Steffler in *Commerce and Finance*.

The commissaries have had a turbulent history, since the idea was first put into effect in 1914. For a time they were opened to the public, and then closed again at the request of independent merchants from all parts of the country. Later, even employees have done a limited volume of their buying at the company stores. Chain stores, even more highly efficient, seem to be the reason for the waning popularity of the Ford retail enterprises, according to the writer.

"The commissary is simply a highly efficient vehicle for the distribution of various and sundry articles of necessity at low prices, which are its only appeal. Customers of company stores in a number of instances have been known to tire of them and to buy elsewhere despite the distinct economies afforded. The Ford commissaries have operated on a strictly 'cash and carry' basis and have made no attempt to supply all those little attentions and courtesies upon which modern retailing places so much stress.

"Then along come the chains, with their low prices made possible by mass operations, their much-advertised 'eye appeal' and their courteous attention to the whims of customers, together with their supplying of service to a degree measured by clientele preferences, as the chains see them. They have thus 'stolen the stuff' of the commissaries and preordained their passing.

"The chain store movement was well underway when the Ford commissaries first felt the sunlight of public favor. But the commissaries were an early object lesson of what could be done in the field of mass merchandising. So just as Ford was one of the great pioneers in mass production methods, he must also be credited with foreseeing its natural concomitant, mass distribution.

"As for the chains, they were not fearful of commissary competition, but took

the bull by the horns, enlarged upon Mr. Ford's suggestion and by the injection of science into retailing not only succeeded in meeting but in beating this new competition.

"Having pointed the way and having had his primary aim accomplished, Mr. Ford may even feel relief at relinquishing his self-appointed job as schoolmaster to the retailer and to devote that much more of his time and attention to his great passion—the production of more, better and cheaper automobiles."

And thus ends a stimulating chapter in the history of retailing.

### Will Luncheon Clubs Hurt Churches, As Bishop Says?

AMERICA has become almost hopelessly enamored of a religion that is little more than a sanctified commercialism; it is hard in this day and this land to differentiate between religious aspiration and business prosperity. Our conception of God is that he is a sort of Magnified Rotarian. Sometimes, indeed, one wonders whether the social movement and the uplift in general have not become, among Protestants, a substitute for devotion; worse than that, a substitute for real religion.

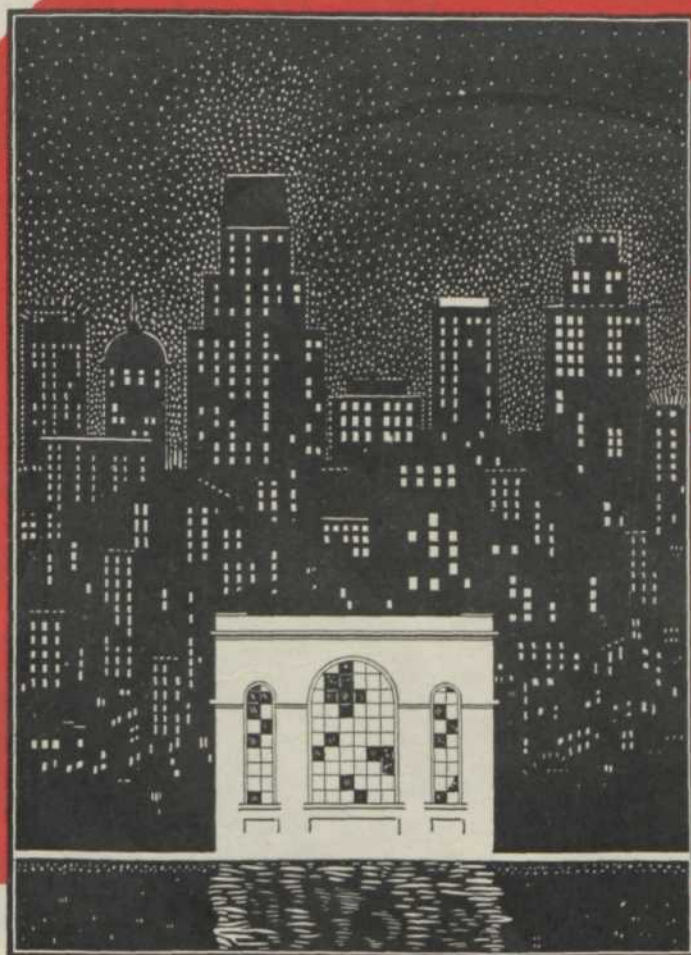
The writer is Bishop Charles Fiske of the Protestant Episcopal Diocese of Central New York, expressing himself in *Scribner's*.

"The average business man," says Bishop Fiske, "has been encouraged to believe himself religious if he sings long and loud about the duty of service and insists that, unlike virtue, which is its own reward, service brings in large monetary returns," according to the *Pan-Pacific Union Bulletin*, which says that there may be a tendency for the luncheon club to replace the church as a meeting place for men.

"Perhaps this is true," says the *Bulletin*, "but there is room enough in the world for both churches and get-together weekday organizations, until everyone in the world is a member of one or more churches and one or more social luncheon clubs; it is suggested that being a member of more than one makes a man more liberal and, therefore, more useful."



## KILL FIRE WHILE IT IS YOUNG



## Guardian of a Hundred Million Lights

Lights of eighteen million homes . . . machinery in thousands of factories . . . depend upon "Central Station" service.

Fire is a constant menace to this service—threatening Central Stations with the loss of thousands of dollars a day.

Because of the high cost of interruptions to service, the electrical industry insists on the best protection against fire. And so, in 1635 Central Stations some type of American-LaFrance and Foamite Protec-

tion stands guard—ready to kill fire while it is young.

American-LaFrance and Foamite service is vastly more than furnishing "fire extinguishers." This service provides the right type of equipment in the right place, based on a complete study by our fire protection engineers. It includes *inspections* and *maintenance* that mean constant readiness.

Such service is made possible by an experience of 84 years in developing methods and products to

control fire. Products of this company include every recognized type of fire-fighting equipment—from one quart extinguishers to motor fire apparatus guarding 90% of American cities.

Whatever the nature of your business—our service can protect it from fire. Without obligation, write for a series of booklets that tell you how. American-LaFrance and Foamite Corporation, Engineers and Manufacturers, Dept. D52, Elmira, N. Y.

## AMERICAN-LA FRANCE AND FOAMITE PROTECTION

A Complete Engineering Service  
For Extinguishing Fires



# Half Sick ~ Sleepy ~ Sluggish ?

... you need proper  
**VENTILATION!**

BAD AIR IS BAD BUSINESS



"Think I'll go home and rest up," sighs an air-starved office employee.

"I don't know why it is, but I'm nervous, irritable, lost my appetite, don't feel like working—or playing either," replies another.

Bad air is at work. Sometimes the results show up quickly—sometimes it takes years. The average business man spends better than half of his time indoors ... little wonder that his health depends so largely on the kind of air he breathes.

For 48 years American Blower has studied the results of bad air and the benefits of scientific ventilation.

American Blower products—electric ventilating, dry-

ing, air washing, heating and ventilating equipment—are furnishing proper ventilation ... building health and stamina for millions of people in all parts of the world.

Your heating or ventilating contractor will gladly give you complete information on American Blower equipment without obligation. If you do not know his name, write direct to the factory.

AMERICAN BLOWER CORPORATION, DETROIT, MICHIGAN  
CANADIAN SIROCCO COMPANY, LIMITED, WINDSOR, ONT.  
BRANCH OFFICES IN ALL PRINCIPAL CITIES (837)

## COUPON

I AM INTERESTED IN VENTILATING

☐ Office ☐ Factory ☐ Store ☐ Public Building

Name \_\_\_\_\_

Full Address \_\_\_\_\_

**American Blower**  
VENTILATING, HEATING, AIR CONDITIONING, DRYING, MECHANICAL DRAFT  
MANUFACTURERS OF ALL TYPES OF AIR HANDLING EQUIPMENT SINCE 1880



# The Committees Do Get Results

By MARSHALL N. DANA

Associate Editor, The Oregon Journal, Portland, Oregon



WITH the enthusiasm of the West, plus the gentle cynicism of a newspaper man, Marshall N. Dana entered committee service with the United States Chamber of Commerce. He watched the machinery, surprised that it really worked. Here he records his impressions of the process and of its products

fairs merely to restrain a fatty tendency on the part of waist lines and brain cells. They parallel and reconcile usefulness both to themselves and to the public.

Into business has come the unique wisdom of the group. The maxims of enterprises that have turnovers amounting to hundreds of millions of dollars read somewhat as they did in our copy books. The prosperity of the individual can only be lastingly had, for instance, as prosperity is maintained for the greater number. Modern ethical relationships must include not only a square deal to the customer but to the worker, who shall have wages that permit him to be a customer.

## The Facts Must Be Established

**E**XACT facts must be established not alone as to the quality of materials but as to general production and distribution, and then beyond all that as to general conditions under which business is done. In other words the general must be composed of well-understood specifics.

One ancient axiom would be changed. It used to read, "Be not the first by whom the new is tried; nor yet the last to lay the old aside." But this meets the temper of modern aggressiveness better, "Be ever first by whom the new is tried, and always first to lay the obsolete aside."

In this atmosphere revolves the committee system of the Chamber of Commerce of the United States. I want to tell what I found, largely as an outsider. It is a radiant national network. The most capable men of the country are included in the groups that are assembling for digestion of the knowledge that is necessary to maintain the prosperity of speeding America. They focus it through the executive organization and the directorate. They thus make it available along the avenues of publicity and direct communication to the country in general and in particular to every individual, business, industry, or organization that will use it.



And all of this is becoming a highly diversified service, a highly organized information, by which the business of America can express itself not politically but economically, not for selfishness and greed but in the spirit of the slogan, "If it is for the public good, it is for the good of business."

It was rather like turning from page to page of the best seller to note what is thus going forward to answer the most pressing needs of the country, not by theories but by facts.

There has come to be a vexatious tax problem. It is related to the financial well-being of every business, home or farm. A committee of the National Chamber finds that while federal taxes have been reduced \$2,000,000,000, state and local taxes have gone up \$4,000,000,000. The only hope—but it is sure cure, if applied—is what business men can do through organization not only toward reductions but for better results from the money spent.

## Thrifty and Wasteful Towns

**T**HE information assembled includes the case of two western towns. One spends twice as much as the other and has less municipal improvement. But in the thrifty town the business men take a systematic interest. They know the facts, they make demands, they watch to see that their desires are accomplished—and one result is economy.

So it can be understood why the last regional meeting of the National Chamber in California was replete with discussions of taxation. It can be understood why there looms a nation-wide campaign to consider state and local taxes.

When you find that the automobile industry in a quarter of a century created

**T**HIS man told me the story. His friend, a merchant in upstate New York, grew desperately afraid of the chain stores. Each time he tried to compete with his linked rivals he got the worst of it.

But he got a suggestion. It was that he quit trying to destroy competition, either with a sledge hammer or a ruinous price. Why not, instead, use as goodwill appeal his own local standing as resident and business man of many years? Why not make leaders of certain specialties, for instance, children's shoes and clothing?

The merchant did it. He put new vim into his advertising. He put on a number of lines his rivals, who dealt in the staples, didn't wish to bother with. After he did that he had to put on more salespeople, he who had been laying them off. In a year his turnover increased four times, his net profit went over that shadowy line between the red and the black.

"Where did your friend get the suggestion?" I asked.

"From me," came the prompt answer.

"And where did you get it?"

"It was an idea that came up in one of the discussions of a committee of the United States Chamber of Commerce."

The conversation, one of those Pullman-car exchanges, lingered in my mind until it led to discovery.

There are men in the country today as intensely interested in the solutions of business problems as the general public is in fiction's best sellers. As to locality, these men are found here and there. Their breed isn't geographic. They have aptitude for success in their own affairs.

And they are not men who, having reached the zenith and gone beyond, are forced to intrude into other people's af-



a \$25,000,000,000 industrial asset, you wonder what the peculiar genius of aviation is to mean to the country. At the Fall conference of the National Chamber in Hot Springs, Ark., I heard a representative of the transportation committee ask, "Fifteen years from now what will happen to the town that has taken no interest in aviation, as other towns now obscure or gone took no interest in railroad location?"

Here is a warning. But with it is the suggestion that today every air-minded American town can be a part of the great new ocean of the air. It is possible and indeed it is urged that any city which desires knowledge and suggestions on how to become an airport shall take advantage of its opportunity to be part of a national airport system by calling on the Transportation Department of the National Chamber.

Many states consider air laws. In every legislative hall this placard should greet the eye:

"Aviation legislation by states ought to be interstate in character rather than intrastate."

Organized business and organized agriculture are going to see a lot more of each other in the future than in the past, perhaps as team mates.

The Chamber's recent referendum dealing with agriculture is in point, not only because it is a Magna Charta of the interrelationship of farm and town, but because the great vote cast by chambers of commerce and other affiliated organizations shows that welcome greeted the opportunity to study the subject.

### There Is a Farm Problem

ABOVE every minor consideration there stands now the towering fact that the accredited voice of business in America has announced that there is a farm problem and that it may be helped by business.

As we left Hot Springs a member of the advisory committee devoted to trade groups exclaimed, "That was a meeting that mixed the leaven of horse sense with business!"

We all know that in Oregon or Ala-



Today every town can become a part of the new ocean of the air



Business problems hold an intense interest for many of our men today

bama there are groups of men dealing in rubber, hardware, or whatever it may be, who have organized for their mutual benefit but who are uncertain as to what good the National Chamber can do them.

I found that initially the service to trade groups had given all of them a common focus and the opportunity to exercise a common voice. There are codes of business practice to be determined through conference. There is the principle to be enunciated and practiced that competition open and constructive rather than secret and destructive is for the good of the greater number and for the individual as well.

There was the new idea that the Federal Trade Commission may be approached as a friend rather than as a policeman waiting to swing a billy on hapless heads.

There had already been the pleasant discovery that the Commission or its representatives could be approached for conference and that price discrimination, misbranding, inducing breach of contract, fraud and misrepresentation, secret rebates, antidumping and deceptive advertising—all the little imps of business—sneaked away from conferences in the open. The record showed that even in the case of ax handles and butter, eggs and cheese, getting together ended staying apart.

Dark and dishonest practices took the nature of barbarism in the light of a statement which began:

"Harmful and wasteful practices are not peculiar to this particular period of American business. In one form or another they have been in existence since business began. Their existence was recognized in the enunciation of the Ten Commandments and in the laws of the ancients. Presumably they were coincident with the existences of suspicion and distrust and selfishness among men."

Deep down in the consciousness of national business leaders I found the thing so often sensed—that until the last man and the last family in America have been provided with the ordinary comforts, necessities and luxuries, distribu-

tion can't be called effective. Some day we may learn how to ship our surplus products 3,000 miles to market from the Pacific coast and be sure of a profit. Some day there may be an analysis of the savings possible between producer and consumer.

### A Lamb's Not All Chops

ONE national councillor of the Chamber who said he couldn't understand why he must pay 75 cents a pound for lamb chops, when all he gets is 15 cents a pound for lambs, got his answer on the spot, "But a lamb isn't all chops."

The chain store as a modern development couldn't be kept out of the picture of distribution. One committeeman from the Bronx met another from Tennessee. Said he of the Bronx, "We are being fairly enveloped by chain stores; we are smothered."

And he of Tennessee answered with wisdom, "If the chain stores can distribute more efficiently than I can, I will try to learn and profit from their methods. If then I cannot meet their competition I will retire; at least, I will do nothing to hinder their progress if they belong to the economic scheme."

And a third man, also from New York, said, "The chain store is merely the individual merchant's opportunity. The local man can capitalize his local standing and the confidence long acquaintance inspires. He can dress up his store front and the stocks inside. He can handle lines that meet public demand and that the chain store doesn't carry."

The problem of distribution is far from solution in a country which so swiftly loads up all its carriers. But here is a beginning, "We are impressed with the magnitude of the wastes which are occurring in distribution and the opportunity before the Chamber to assist in their reduction or elimination."

### What Price Bond Issues

HERE was another sentence, one I would have liked to hang in every city hall in the United States, "When improvement bonds are issued annually, there is a continuing and presumably perpetual interest charge." We must pay the piper.

Pause to think what it means to have an organization of national size and vitality which has within it the capacity to reduce to prosperity formulae such material as that quoted.

Closely linked is the plan of the Chamber's Civic Development Committee to stimulate voting in all elections. When people vote and governmental subdivisions are run by the majority, inefficiency in government will not long be added to the high cost of living. I have my personal doubt if thugs and confidence men are half as dangerous citizens as those citizens who could but don't register and vote.

The Chamber's Natural Resources Committee carries on broad shoulders Muscle Shoals, Boulder Canyon and government relationship to the hydroelec-



# DICTATE

## an Eight-Word Memorandum Now .... and Eliminate over NINETY per cent of Your Future Tire Punctures



### Call in Your Secretary . . .

Dictate that memorandum *now*. A Goodrich dealer will call immediately. You will *see* this new puncture sealing inner tube demonstrated. You will learn *why* you can eliminate over ninety per cent of your *own* tire troubles. You will *grasp the opportunity* to effect the savings in time and repairs that Goodrich Air Container Tubes will effect for you.

Ring for your secretary. Dictate a memorandum to the Goodrich dealer *now*.

"... **95%** of our tire trouble has been eliminated; nails, etc. have no apparent effect on the Air Containers."

RICHARD H. HAGUE,  
Hauling Contr., Philadelphia, Pa.

**T**HOUSANDS of men seated at office desks today have it within their power to eliminate *over ninety per cent* of their truck and passenger car tire punctures immediately.

By dictating a simple, eight-word memorandum *now* these men can save an inestimable amount of money now being needlessly paid out for tire and tube repairs.

That memorandum need only say: "Send a man to demonstrate Goodrich Air Containers."

For a revolutionary new puncture sealing inner tube has been produced by Goodrich—tested, perfected.

Many Goodrich dealers have them in stock. And *thousands* of Goodrich Air Container Inner Tubes are in use today though *public* announcement was made only one month ago. Write today.



### The Air Container Inner Tube

#### *A revolutionary new principle in inner tube construction*

When a nail or other object punctures the Air Container, it is tightly gripped by a compression member. As the nail is withdrawn, the compression member instantly closes the opening. Air Containers retain air *in spite of* punctures.

THE B. F. GOODRICH RUBBER COMPANY, Akron, Ohio

Established 1870

Pacific Goodrich Rubber Co., Los Angeles, Cal.  
In Canada: Canadian Goodrich Co., Kitchener, Ont.



# Goodrich Air Containers

When writing to THE B. F. GOODRICH RUBBER CO. please mention Nation's Business



# Announcing

## .. A Notable Achievement In Tube Manufacture

**D**RAWN metal tubing, 1 to 6 inches in diameter and of any length up to 10 feet is now manufactured with precision and in quantity by The Fulton Sylphon Company. Wall thicknesses may be specified to range from .004 to .050 of an inch and diameters can be held uniform the entire tube length within close limits (plus or minus .001") with inner and outer surfaces very smooth. To distinguish this tubing we have christened it—

**KOLD PREST**  
*Sylphon*  
**TUBES**

Produced much cheaper than by the old "cup and draw" method. It means a thinner walled and lower priced product supplanting heavier tubes now in use, and is adapted to requirements for flashlight cases, thermos bottle cases, shielding for radio and auto parts, large size collapsible tubes, flexible tube lining and a wide range of practical applications. It can be supplied in brass, copper, ambrac, monel, zinc or aluminum.

### Tube Manufacturers for Twenty Years

Tube manufacturing is not a new departure for The Fulton Sylphon Company. It merely marks an expansion of activities and a utilization of knowledge gained through twenty years of experience in manufacturing its original invention, the famous Sylphon Bellows, the expansion element of all Sylphon Temperature and Pressure Regulators.

### Our Trade Name

"Kold-Prest" stands for a dependable guarantee of "quality and service"—the motto upon which this company was formed and developed. "Kold-Prest" tubing will henceforth be available to those having uses for a high quality product, a product that is backed by the experience and resources of The Fulton Sylphon Company, widely known for their manufacture of efficient automatic temperature controls.

We welcome correspondence in regard to tubing for any use.

WRITE DEPARTMENT N



Representatives in all Principal Cities in U. S. A.—European Representatives, Crosby Valve & Eng. Company, Ltd., 41-2 Foley St., London, W. 1, England—Canadian Representatives, Darling Bros., Ltd., 140 Prince St., Montreal, Que., Canada.

When writing to THE FULTON SYLPHON COMPANY please mention Nation's Business

tric industry. I couldn't find that the studies were made for the power utilities, although there was abundant emphasis from the economic standpoint that the Government should stay out of the field of private business.

But the Committee was dealing, too, with commercial forestry, with forestry legislation and with assistance to chambers of commerce interested in the marketing of trees and their reduction to lumber.

We of the Pacific Northwest look out over an estate which comprises something like a third of the nation's standing timber. There are more than enough boards, still encased in the original bark, to supply five-room houses for all the families of the nation. We have a resource, but have scarcely called upon merchandising, advertising, or our friends.

And while we know that the firs grow again, if freed from fire and pests, the nation has been told that timber is a vanishing resource, that it should be patriotically preserved to guard the water courses and that wood substitutes should be used as a measure of public spirit. When a department like that of Natural Resources in the National Chamber is all steamed up with cooperation in forestry, legislation and distribution, it would seem that our fortunes are to be made by hitching to it.

Foreign commerce, insurance, manufactures, education, immigration, trade relations and national wholesaling are being card indexed, analyzed and made available by the busy groups of the National Chamber. It is a flood of value.

### They Supply an Object Lesson

**Y**OU find mingled in committee personnel the energy and courage of youth with the experience and wisdom of maturity. It is an object lesson for officers of local chambers who "accept office but do not accept responsibility."

These committee men set aside from their private business and without a reservation of private acquisitiveness the time necessary to aid the nation's business. They work by no cut and dried program, but in a way that gives the most diffident man his voice. The chamber of commerce secretary at home would revel in such devotion. How true it is that "a secretary can be competent but it takes a president and a board of directors to make him efficient!"

With a study of a few of many activities by one outsider he begins to understand why the National Chamber grows. It is growth by genius of service. That is why its referenda command respect and response as focal thought and declaration. Its concept is as broad as national issues. It voices the views of all. It brings close the most remote sections in mutual interest and effort. It has given every local chamber of commerce a central power plant.

It makes national figures local servants and local men national through group activity. It sets up the ideal as the partner of the cash register.





# Costs are Lowest when DODGE Conveyors Do the Job

CONVEYORS, the very arteries of industry, can't be weak—they can't be nursed along. Equipment nursing is just another name for avoidable maintenance costs. Profits dwindle before this industrial ogre.

Distinct, exclusive features give Dodge Conveyors inbuilt ruggedness, dependability and unvarying performance. Lower costs in many industries have been achieved when Dodge conveyors do the job. The nursing-fund remains as profit.

In mines, warehouses, or factories, Dodge material handling equipment of various kinds represent the products of one of the four divisions of Dodge—each of which solve production problems by the same formula with the same objective: low costs; hence increased profits.

These four divisions, interwoven as they are, blend so thoroughly they form an organization known to industry as Dodge—the World's Market Place for Industrial Equipment.

If you are considering a new plant, or new equipment for your present plant, Dodge offers centralized facilities—no one organization duplicates them—centralized buying, manufacturing and engineering skill.

There's an added measure of service and satisfaction when your production equipment is a complete unit—like the product it makes for you. Parts made together, work best together.

Whatever your problems—or your needs—come to Dodge—the World's Market Place for Industrial Equipment.

Dodge Manufacturing Corporation  
Mishawaka, Indiana

Factories at Mishawaka, Indiana  
and Oneida, New York

POWER TRANSMISSION

MATERIAL HANDLING

# DODGE

MISHAWAKA

SPECIAL MACHINERY

DODGE-TIMKEN BEARINGS

## The Four Divisions of Dodge

**POWER TRANSMISSION**—Complete equipment for the transmission of power. Every type of pulley hanger, pillow block, etc.

**MATERIAL HANDLING**—Every type of conveyor to handle any type of packaged or bulk material.

**DODGE-TIMKEN BEARINGS**—For power transmission and machine applications. A type for every service.

**SPECIAL MACHINERY**—a manufacturing department for those who prefer to devote their attention to selling rather than making.





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community...  
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knowing!

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*When writing please mention Nation's Business*

## American Individualism

(Continued from page 22)

tem contains faults no one disputes. One can recite the faulty results of our system at great length; the spirit of lawlessness; the uncertainty of employment in some callings; the deadening effect of certain repetitive processes of manufacture; the twelve-hour day in a few industries; unequal voice in bargaining for wage in some employment; arrogant domination by some employers and some labor leaders; child labor in some states; inadequate instruction in some areas; unfair competition in some industries; some fortunes excessive far beyond the needs of stimulation to initiative; survivals of religious intolerance; political debauchery of some cities; weaknesses in our governmental structure.

### We Recognize Our Faults

**M**OST of these occur locally in certain regions and certain industries and must cause every thinking person to regret and to endeavor. But they are becoming steadily more local. That they are recognized and condemned is a long way on the road to progress.

One of the difficulties in social thought is to find the balance of perspective. A single crime does not mean a criminal community. It is easy to point out undernourished, overworked, uneducated children, children barred from the equality of opportunity that our ideals stand for. It is easy to point out the luxurious, petted, and spoiled children with favored opportunity in every community.

But if we take the whole 35 millions of children of the United States, it would be gross exaggeration to say that a million of them suffer from any of these injustices. This is indeed a million too many, but it is the 34 millions that test the system with the additional touchstone of whether there are forces in motivation which are insistently and carefully working for the amelioration of the one million. Its by-products of endowed loafers, or hoodlums, at respective ends of the economic scale, are indeed spectacular faults. Yet any analysis of the 120 millions of us would show that we harbor less than a million of either rich or impecunious loafers.

### Our "Upper Class" Masses

**I**F we measure our people by scales of other civilized peoples, we also find consolation. We have a distaste for the very expression of "class," but if we would use European scales of "classes" we would find that above their scale of "lower classes" we have in equivalent comfort, morality, understanding, and intelligence fully 80 per cent of our native-born whites. No European state will lay claim to 30 per cent of this order. Does this not mean that we have been gaining something?

I do not conceive that any man, or

body of men, could ever be capable of drafting a plan that would solve these multiple difficulties in advance. Moreover, if we continue to advance we will find new difficulties and weaknesses as the by-product of progress—but to be overcome.

### The Fruits of Individualism

**I**NDIVIDUALISM has been the primary force of American civilization for three centuries. It is our sort of individualism that has supplied the motivation of America's political, economic, and spiritual institutions in all these years. It has proved its ability to develop its institutions with the changing scene. Our very form of government is the product of the individualism of our people, the demand for an equal opportunity, for a fair chance.

The American pioneer is the epic expression of that individualism, and the pioneer spirit is the response to the challenge of opportunity, to the challenge of nature, to the challenge of life, to the call of the frontier. That spirit need never die for lack of something for it to achieve.

There will always be a frontier to conquer or to hold as long as men think, plan, and dare. Our American individualism has received much of its character from our contacts with the forces of nature on a new continent. It evolved government without official emissaries to show the way; it plowed and sowed two score of great states; it built roads, bridges, railways, cities; it carried forward every attribute of high civilization over a continent.

### We Still Need the Pioneer

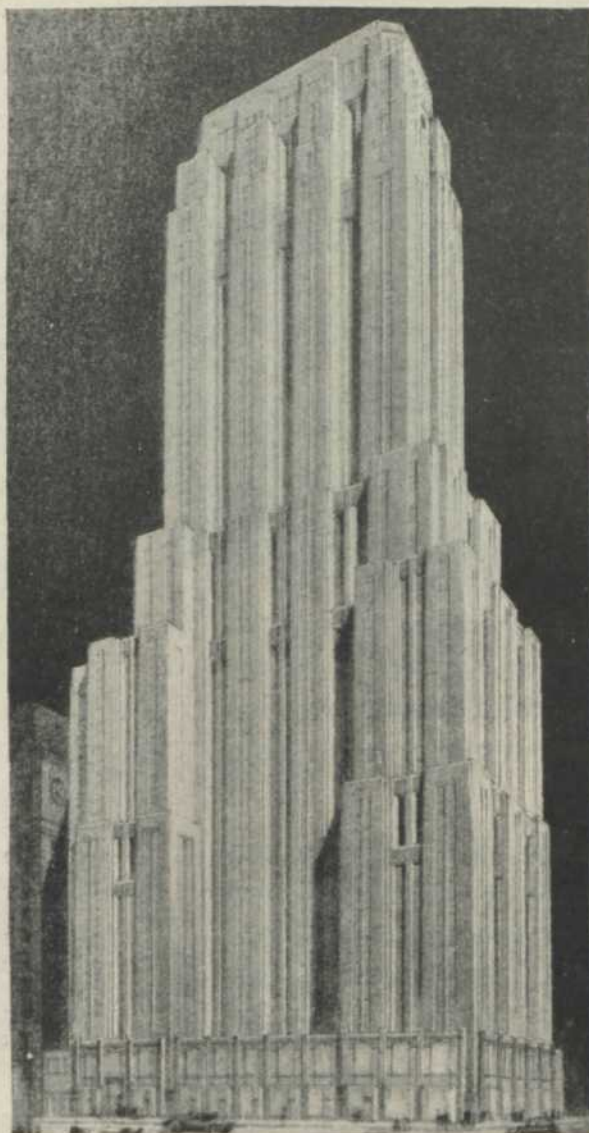
**T**HE days of the pioneer are not over. There are continents of human welfare of which we have penetrated only the coastal plain. The great continent of science is as yet explored only on its borders, and it is only the pioneer who will penetrate the frontier in the quest for new worlds to conquer. The very genius of our institutions has been given to them by the pioneer spirit.

Our individualism is rooted in our very nature. It is based on conviction born of experience. Equal opportunity, the demand for a fair chance, became the formula of American individualism because it is the method of American achievement.

After the absorption of the great plains of the West came the era of industrial development with the new complex of forces that it has brought us. Now haltingly, but with more surety and precision than ever before and with a more conscious understanding of our mission, we are finding solution of these problems arising from new conditions, for the forces of our social system can compass and comprise these.

Our individualism is no middle ground





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Who can calculate the cash value of a quiet office? No tug boat will ever blare beneath the windows of the Palmolive Building ■ No elevated trains will rumble by—nor cinder-belching locomotives ■ Instead, motor coaches, motor cars and taxis, rolling on rubber ■ In this building is peace and quiet ■ Healthful day-long daylight on all sides—thanks to its modern

set-back construction ■ Clear, dustless skies ■ Rising head and shoulders above its neighbors, many floors command magnificent views of lake and city—inspiration to clearer thinking, better work ■ Many notable firms have already chosen the Palmolive Building for these reasons, as well as for its accessibility, tenant services and prestige ■ Write or wire the Agents today

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**O**NE sure way to gain time on the calendar is to make instant service available to every dictator in your office. With an Ediphone at his elbow, an executive can gain 20% more time needed for other things.

Stenographers, too, are freed from the handicap of writing letters twice (once in shorthand—once on the typewriter). They frequently gain two hours a day for other duties. Let us show you how the Ediphone cuts down the staggering total of wasted minutes.

Our National Service will prove this at your desk and guarantee the continued satisfaction of your entire office. Hundreds of our old customers, nearby, will tell you so. Telephone "The Ediphone," your City, or write for our book, "Getting Action."

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# Ediphone

Edison's New Dictating Machine

between autocracy—whether of birth, economic or class origin—and socialism. Socialism of different varieties may have something to recommend it as an intellectual stop-look-and-listen sign, more especially for Old World societies. But it contains only destruction to the forces that make progress in our social system. Nor does salvation come by any device for concentration of power, whether political or economic, for both are equally reversions to Old World autocracy in new garments.

### The Way of Our Salvation

**S**ALVATION will not come to us out of the wreckage of individualism. What we need today is steady devotion to a better, brighter, broader individualism—an individualism that carries increasing responsibility and service to our fellows. Our need is not for a way out but for a way forward.

We found our way out three centuries ago when our forefathers left Europe for these shores, to set up here a commonwealth conceived in liberty and dedicated to the development of individuality.

There are malign social forces other than our failures that would destroy our progress. There are the equal dangers both of reaction and radicalism. The perpetual howl of radicalism is that it is the sole voice of liberalism—that devotion to social progress is its field alone.

These men would assume that all reform and human advance must come through government. They have forgotten that progress must come from the steady lift of the individual and that the measure of national idealism and progress is the quality of idealism in the individual.

The most trying support of radicalism comes from the timid or dishonest minds that shrink from facing the result of radicalism itself but are devoted to defense of radicalism as proof of a liberal mind.

### Critics and Their Criticisms

**M**OST theorists who denounce our individualism as a social basis seem to have a passion for ignorance of its constructive ideals.

An even greater danger is the destructive criticism of minds too weak or too partisan to harbor constructive ideas. For such, criticism is based upon the distortion of perspective or cunning misrepresentation. There is never danger from the radical himself until the structure and confidence of society has been undermined by the enthronement or destructive criticism.

Destructive criticism can certainly lead to revolution unless there are those willing to withstand the malice that flows in return from refutation.

It has been well said that revolution is no summer thunderstorm clearing the atmosphere. In modern society it is a tornado leaving in its path the destroyed homes of millions with their dead women and children.

There are also those who insist that



the future must be a repetition of the past; that ideas are dangerous, that ideals are freaks.

To find that fine balance which links the future with the past, whose vision is of men and not of tools, that possesses the courage to construct rather than to criticize—this is our need. There is no oratory so easy, no writing so trenchant and vivid as the phrase-making of criticism and malice—there is none so difficult as inspiration to construction.

We cannot ever afford to rest at ease in the comfortable assumption that right ideas always prevail by some virtue of their own.

In the long run they do.

But there can be and there have been periods of centuries when the world slumped back toward darkness merely because great masses of men became impregnated with wrong ideas and wrong social philosophies.

### Guarding Our Individualism

THE declines of civilization have been born of wrong ideas. Most of the wars of the world, including the recent one, have been fought by the advocates of contrasting ideas of social philosophy.

The primary safeguard of American individualism is an understanding of it; of faith that it is the most precious possession of American civilization, and a willingness courageously to test every process of national life upon the touchstone of this basic social premise.

Development of the human institutions and of science and of industry have been long chains of trial and error. Our public relations to them and to other phases of our national life can be advanced in no other way than by a willingness to experiment in the remedy of our social faults. The failures and unsolved problems of economic and social life can be corrected; they can be solved within our social theme and under no other system.

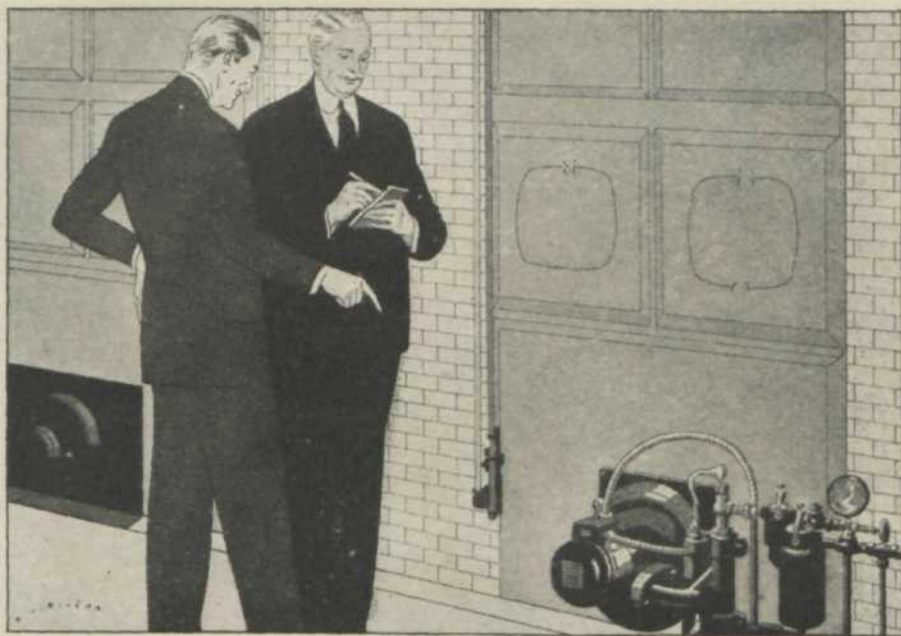
The solution is a matter of will to find solution; of a sense of duty as well as of a sense of right and citizenship. No one who buys "bootleg" whisky can complain of gunmen and hoodlumism.

### The Guarantee of Progress

HUMANITY has a long road to perfection, but we of America can make sure progress if we will preserve our individualism, if we will preserve and stimulate the initiative of our people, if we will build up our insistence and safeguards to equality of opportunity, if we will glorify service as a part of our national character. Progress will march if we hold an abiding faith in the intelligence, the initiative, the character, the courage, and the divine touch of the individual.

We can safeguard these ends if we give to each individual that opportunity for which the spirit of America stands. We can make a social system as perfect as our generation merits and one that will be received in gratitude by our children.

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## "These Oil Burners paid for themselves"

—Vick Chemical Company gets "perfect satisfaction" with Johnson automatic oil burning equipment

A high standard of efficiency has been set at the Philadelphia plant of the Vick Chemical Company, where exacting temperature control is essential in the production of Vick's Vapo Rub. The superintendent of this factory writes:

"We have used the equipment for about two years with perfect satisfaction, during which time the saving in fuel and labor alone has been more than enough to pay for our two installations, aside from eliminating all the dust and also the storage space for coal."

There is no longer any necessity for boiler room extravagance. Heat supplied by Johnson Oil Burners is efficient because there is no waste in banking fires; no unburned fuel to fall into the ash box. Fuel is burned only when heat is needed. Labor costs are reduced because one man can easily take care of an entire battery of boilers. Ash removal expense is entirely eliminated.

### For Every Heating and Power Purpose

In homes, large buildings, factories and industrial plants Johnson

oil burning equipment is receiving enthusiastic endorsement from coast to coast. There is a size and type to meet every heating or power requirement.

And each product, fully guaranteed, is the result of more than 23 years experience in the exclusive manufacture of oil burning equipment. Johnson Oil Burners may be purchased on liberal deferred payments.

May we send you further details? Please state if information is desired for home, apartment, hotel, public building, factory or industrial plant.

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Department 329-D Oakland, California  
PLEASE SEND ME INFORMATION ON JOHNSON OIL BURNERS FOR USE IN

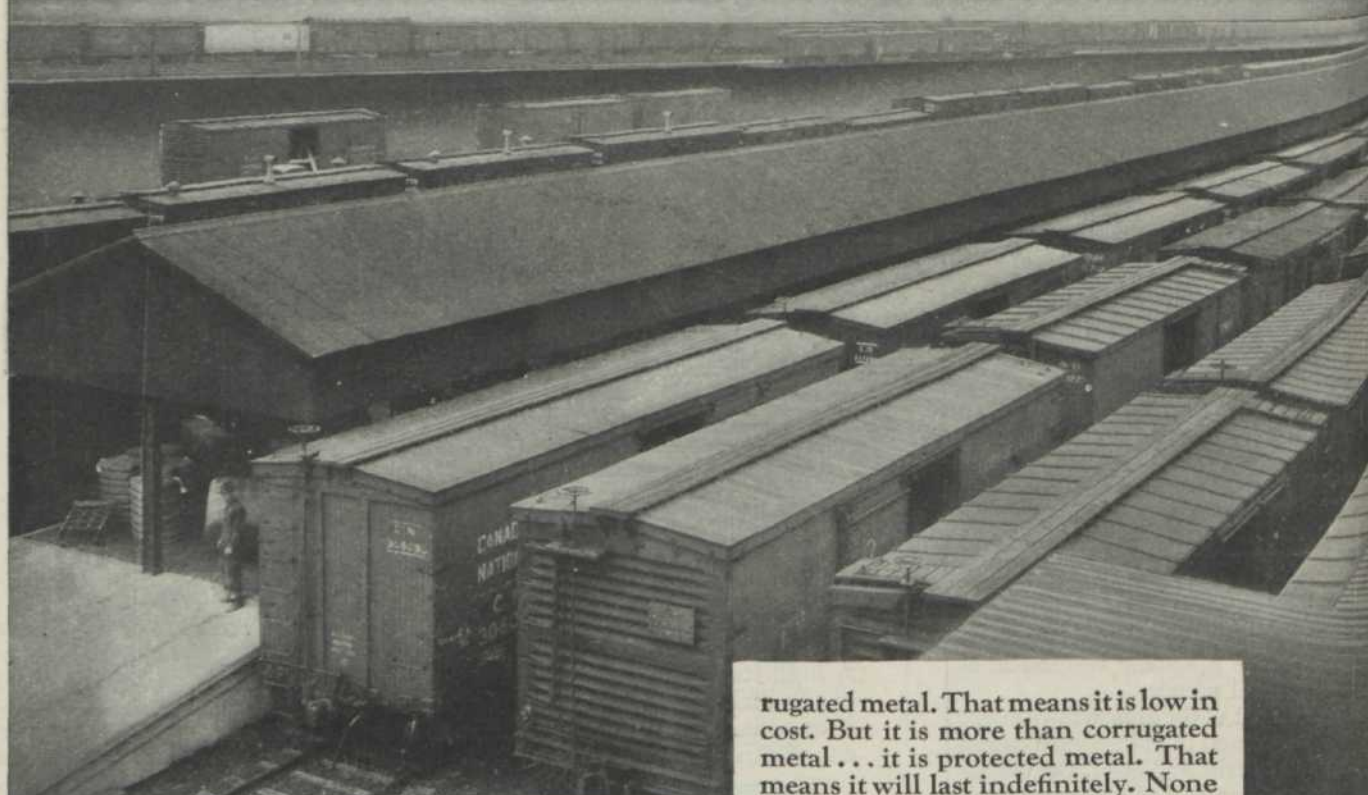
(State size and type of building or industry)

Name \_\_\_\_\_ Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_

When writing to S. T. JOHNSON Co, please mention Nation's Business



# SURE SIGNS



**S**URE signs of good times . . . sure signs of good business . . . of prosperity . . . of happiness. When you see cars jammed around terminals like that, you know that goods are being sold . . . that money is being made; that all is right with the world. Car-loadings have ever been one of the significant barometers of business. But there are deeper signs . . . signs that indicate that business will go on being good. The freight platform beside the cars is one such sign.

One of the things that has made business good is that American industry has learned to make goods in quantity . . . and make a profit on them . . . and yet sell them at low prices. That, in turn, goes back to the fact that American business has learned to cut out sources of waste.

Which brings us directly around to this freight platform. Look at its roof. Light cor-

rugated metal. That means it is low in cost. But it is more than corrugated metal . . . it is protected metal. That means it will last indefinitely. None of the rusting and corroding you find in ordinary corrugated material. No painting, no repairing.

Translate that into terms of huge industrial buildings . . . mills, factories, warehouses. Figure that you can cut the cost of those buildings almost in half by using this corrugated protected metal instead of "heavy construction." Figure, too, that you can cut out the thousands of dollars for painting and maintenance that you would have to spend on unprotected corrugated material.

That roof is Robertson Protected Metal (RPM). RPM can be used on the roofs and sidewalls of your buildings. It can save you money in first costs; and in maintenance. Let Robertson engineers suggest how it can be of service on your buildings. Just send us your blueprints. No obligation.

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## ROBERTSON



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The news from the Black Hills during the Coolidges' stay there was of a kind to lure tourists



INTERNATIONAL NEWSREEL

## What Are Publicity's Fruits?

The Black Hills survey the results of getting on the front page

By FRANCES HALLEY BROCKETT

**I**N 1927 the Summer White House was set up in the Black Hills of South Dakota. It was the biggest moment for the Hills since gold was discovered there in 1876.

People who had never heard of this picturesque section before heard of it while the President was sojourning there.

What happened after the presidential party and the newspaper correspondents and the camera men picked up and left? Did the erstwhile big publicity help business? Did more tourists find their way to the Black Hills the following Summer?

For several years before 1927 tourists had been discovering the Black Hills in ever-increasing numbers, and the natives of this region were beginning to realize that the old miner's exclamation, "Thar's gold in them thar hills!" might aptly be said, not only of the veins of ore but also of the variety and magnificence of the mountain scenery. While the gold mines and the lumber and the fertile valleys had been increasingly developed for the last thirty years, nothing much had been done about the potential tourist crop.

Principally through the efforts of South Dakota's senior senator, Peter Norbeck, an area of a hundred thousand acres in the very heart of the Black Hills had been acquired by the state as a state park and game preserve. Trout streams and lake, woods and trails offered recreational possibilities that were being taken advantage of annually by South Dakotans

and a steadily growing stream of "outsiders." Then quite suddenly, in 1927 the Black Hills were discovered by the Great American Public, discovered as an actual place, not simply as a background for the thrillers of Deadwood Dick and Wild Bill and Calamity Jane.

For three months, this section was in

the limelight daily. The Black Hills were on the front page of practically every important newspaper every day for the President's entire stay.

"Never before," said John T. Lambert, then president of the White House Correspondent's Association, "did any place receive so much and such continuous publicity as a result of an official sojourn."

Mr. Lambert estimated that during the Summer more than two million words of news were sent out from the Hills, over the Postal and Western Union wires and on private wires maintained by the United Press, International News and the Associated Press. At least 200,000 more words of feature and human interest news not of pressing importance were mailed from Rapid City by the correspondents. Much of this news was descriptive of the country, and the kind most likely to allure the tourist—stories, ten-gallon hats, rowelled spurs, Indian pow-wows, bulldogging steers.

### Praised by the President

**E**VEN the President seemed to have an urge to advertise the Hills. He said, in a speech to several hundred members of the National Editorial Association whom he received at the Game Lodge, his summer headquarters: "I doubt if one went to any part of the country he would find it more inspiring than this locality and region. I am glad you are having an opportunity to look over this beautiful country. I



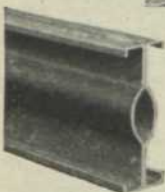
"I doubt if one went to any part of the country he would find it more inspiring than this locality"



# Steel Structures For All Industries



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entirely  
of STEEL



THE innate strength of both I-beam and Tubular steel shapes is wrought in the structural members of Butler Ready Made Industrial Buildings. Witness the cross

section view (to the right) of a purlin from the structural frame.

Throughout Butler Ready Made Industrial Buildings, the natural strength of steel is multiplied by ingenious shaping. Deeply drawn corrugations on 8-inch centers give great rigidity to the galvanized steel sections of walls and roof.

New construction in many industries trends more and more to steel structures. In all industries where operations are "out-post" in character, Butler Ready Made Buildings have won preference. Completeness, economy in acquiring and upkeep, fire resistance, speed in erection are advantages of Butler Ready Made Industrial Buildings. But you will be most impressed by their permanent character and their flexibility, permitting enlarging or taking down unit by unit, without the loss of anything more than a few dropped bolts.

Along with catalog "C", let us submit a preliminary estimate on the size building you will need.

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READY-MADE  
STEEL BUILDINGS

When writing please mention Nation's Business

have never seen any thing which excels it. I want you to advertise this section. I will do what I can to advertise it." He certainly did; and the editors certainly did, and none of them had anything invested in Black Hills real estate!

More than a year has passed and it is time to look for returns from so bountiful a sowing of words. What harvest is the Black Hills country reaping from this unprecedented publicity? "A billion dollars' worth of free advertising," one press man called it, and added, "and the kind you couldn't buy, at that!"

It is not easy to tell just how much of the past year's growth is due to the political Summer. Certainly there has been no sudden boom in real estate, no great avalanche of tourists and sightseers, and no outstanding development that could be attributed solely to that flood of descriptive words and pictures of the region.

Opinions as to the benefit received vary. One disgruntled innkeeper who says, "None at all. It done us harm! Tourists is like that. When everybody else knows about a place and most everyone has been there, they stay away. They're out to discover furrin-kind of places for themselves so they can go home and tell folks things they don't know." On the other hand, a city speculator has come out to buy up all the abandoned ranches in the vicinity in the expectation that he will soon lay them out as suburbs to Rapid City, "the Denver of the Black Hills."

The truth, of course, lies somewhere between the two. The Hills towns, all of them, seem to have a renewed impetus toward healthy growth, a more notable enlargement than could be credited to a continuation of the normal growth that had set in even before that Summer in the limelight.

Industrially, the biggest thing that has come to the Hills, the million-dollar sugar mill at Belle Fourche, was building in 1927. The revival of mining interest in the Keystone Mining district, which resulted in eastern capital's buying up many properties and forming the Consolidated Mining Co., originated before the President's visit. Rushmore Memorial was already a project, and still is. Colonization of some of the tremendous old cattle ranches in Rapid Valley was under way in the Spring of 1927. Power projects and irrigation plans remain about the same.

## Investors Are Prevalent

THERE are strong indications that corporations and utilities companies were perhaps more influenced by the advertising and possibilities of the region than tourists. Certainly investors are prevalent. Franchises of various sorts are being requested from the Hills cities, a natural gas line had piped gas into the Hills all the way from Montana, and the railroads that tap the Hills have become keenly interested in further development.

Recent surveys have been made regarding possibilities such as woolen mills

(there are lots of sheep ranches nearby) —paper mills (spruce is abundant in the Black Hills forests) and a huge power dam and irrigation project that has been considered for twenty years, is at last on the verge of realization.

But what of the tourist returns—that crop which one would think would yield the greatest harvest from the rich fertilization of several million words of colorful publicity? It is certain that there was no unprecedented rush of tourists to the Black Hills during the Summer of 1928.

Cecil Gideon, host of the State Game Lodge, the former Summer White House, reports that he did not have any bigger season in 1928 than in 1926, if as big. The next most popular place, Sylvan Lake, had "about the same." The unusually picturesque community tourist park at Rapid City had fewer.

## More Tourist Facilities

PROPRIETORS of these various places are inclined to think that the gain in the number of tourists was nil. But accommodations for the traveling public have increased almost beyond computation. There are numerous private tourist parks sprouting up almost everywhere, there are free parks along highways and in the state reserve; rows of cabins edging ranch houses and woods lots. Rates stay moderate. All these places were patronized but, as no check was kept, it is difficult to compute the number.

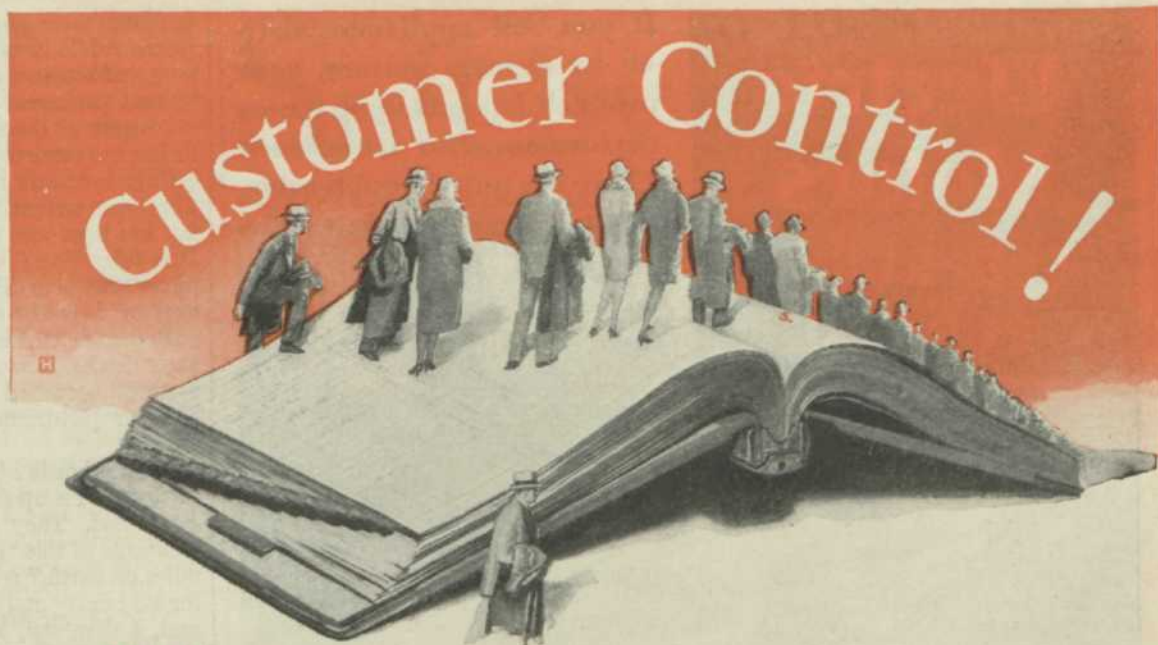
A check by the State Highway Commission shows that tourists coming to the state of South Dakota in 1928 spent \$22,309,632, a good increase over former years. And as 68 per cent of the 294,400 autos were vacationists, the Black Hills probably lured them.

It is very noticeable that a more luxurious class of travellers are visiting the Hills and either staying at the new hotels or owning cottages along remote fishing streams. Rapid City now boasts a big new modern hotel, the largest in the state, though Rapid City itself is the seventh city in size. At the Rapid City High School where the famous, "I do not choose to run" was uttered, the jump in attendance has overflowed the capacity of the building.

The Bell Telephone Company had to arrange for the President's Summer by constructing a new series of thirteen copper circuits at the cost of nearly half a million dollars. It was thought that when the Summer White House closed, there would be a large surplus. But very soon, the telephone company announced that there was enough increased general business to use the entire new system. Straws, perhaps, but they seem to indicate a steadily rising wind of growth and prosperity.

Alas for the old days of the Wild West when the Black Hills ranches used to be just ranches. For now the ranchers and the hillsmen, along with the townspeople, put in their bid for the tourist trade. Now the highways spout, not only gasoline stations, but a number of huge signs, "The





## Where do your customers go when they are "off the books"?

EVERY business — manufacturing, wholesaling, retailing — faces the common problem of "lost customers". Out of every 100 "lost customers" 82 drift away because of real or imaginary grievances or because they have not been properly encouraged to continue their patronage!

But just what can you do about this in your business?

The Addressograph Company has made a special study of the subject and is prepared to give you some definite, helpful, "brass tack" information.

The Addressograph Customer Control system is a complete, quickly accessible, automatic system of recording customers according to *what* and *when* they buy. It provides an efficient, low-cost method of preventing inactive accounts and spreading patronage to more departments or lines of merchandise.

Let the Addressograph representative tell you the whole story in terms of dollars and cents profit for your business. Or mail the coupon and detailed information will be sent to you, without obligation.

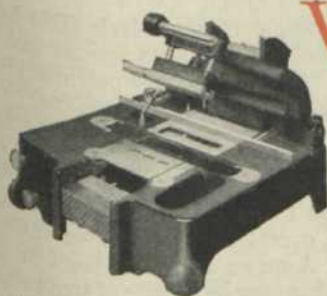
Sales and service agencies in the principal cities of the world

ADDRESSOGRAPH COMPANY, 909 W. Van Buren St., Chicago

Canada: Toronto, Vancouver, Montreal.

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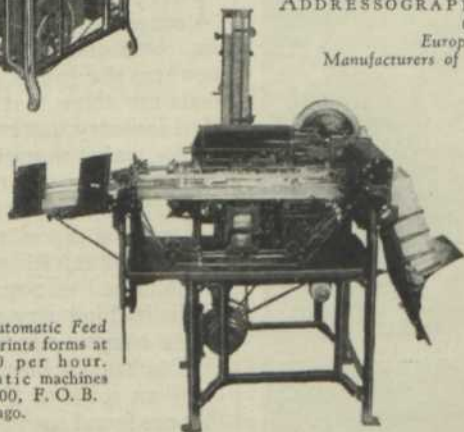
Manufacturers of Graphotype, Addressograph, Dupligraph, Cardograph



Model H-3 — \$75. Imprints names or data, 1200 to 1800 impressions an hour! Other hand operated models \$20 to \$105 F. O. B. Chicago.

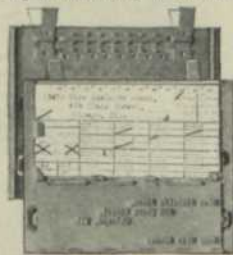


Dupligraph — Model D-3 — Leased at \$65 per month. Prints 2,000 complete letters per hour, with name, address, salutation, date, and signature. Other duplicating machines \$57.50 to \$1,770. F. O. B. Chicago.



Model A-4 Automatic Feed — \$1,975. Imprints forms at rate of 7,500 per hour. Other automatic machines \$475 to \$4,400. F. O. B. Chicago.

Record-Card Addressograph plates provide record-keeping space on the address plate itself. Removable metal tabs permit certain plates to print or skip automatically as desired.



Model F-2 Electric — \$365. Imprints forms at rate of 2,000 to 3,000 an hour. Other electrically operated models \$215 to \$515. F. O. B. Chicago.



Mail with your letterhead to

ADDRESSOGRAPH CO.,  
909 West Van Buren  
Street, Chicago, Illinois.

Without obligation to me, send information concerning Customer Control System and preventing inactive accounts.

3-29

# Addressograph

TRADE MARK

PRINTS FROM TYPE

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# Electric Motors FOR EVERY PURPOSE

If you sell appliances driven by electric motors, your product depends upon motor performance for its success. There is a quiet, unobtrusive, reliable Wagner Motor for every job, because Wagner makes all types and builds them to fit any desired service.



Wagner engineers have 38 years of motor pioneering and building knowledge to bring to bear on your motor problems.

*Literature on Request*

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CORPORATION**

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Wagner Sales Offices and Service  
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**Products:** FANS . . . Desk . . . Wall . . . Ceiling  
TRANSFORMERS..Power..Distribution..Instrument  
MOTORS..Single-phase..Polyphase..Direct Current

# Wagner

...quality

When writing to WAGNER ELECTRIC CORPORATION please mention Nation's Business

Bar-something-or-other Dude Ranch," where saddle horses are for hire, and the tang and romance of the Old West is sold in neat packages!

In spite of these changes, tourist traffic has not come up to the expectations of certain investors in Black Hills scenery. The most tremendous gain to the country has been one that was not foreseen. It is this: The Black Hills people themselves are the ones who were most bowled over by their own advertising. They had gotten used to the glorious pageants of their mountain scenery, the tremendous, almost untouched forest, and the tales of their picturesque, if somewhat wild, past.

Then a horde of newspaper men came in; touched it up for them and they were astonished. They saw themselves as inhabitants of this "richest hundred square miles on earth," a location "unparalleled for its beauty and majesty," "the largest and, I dare say, loveliest state park in the whole Union."

The people of the Black Hills have squared about and taken another look at themselves. They are now potential kings—of industry or what have you? A minor sign is the sprouting of new enterprises backed by local capital. The old Commercial Club of Rapid City, by the way, has taken larger office space, and become, overnight, the Chamber of Commerce. A major sign is a recent undertaking that may be prolific of tremendous results.

A new survey of the Black Hills district is under way in which the railroads tapping that district are vitally interested—a survey of the agricultural, industrial and mining possibilities. A most striking development is that of the old Keystone mining district, whose gold mines had been abandoned, or were just puttering along for years.

## Fervor and Optimism

THIS country is now found to be a source of valuable nonmetallic minerals, some of them very rare and found nowhere else in the United States. Minerals are there that are needed for the steel industry, for ceramic and chemical plants, paint manufacture, for electric insulation; building board, basic minerals for cleansing soaps, cosmetics and other things. Big deposits of such minerals as beryl, lithium, feldspar, mica, gypsum, graphite and rare minerals adapted to specialized industry are found.

The congressman from western South Dakota has just introduced a bill asking a tariff on some of these minerals—those that are found nowhere else in the United States except Keystone. Yes, the people mean to develop their Black Hills now that the President's press men have helped to discover it for them.

The greatest gain from that Summer in the limelight will probably not be from the influx of tourists and from outside capital coming in, but from the renewed fervor and optimism of the people of the region. They have fallen in love all over again with their own Black Hills.



## I'm a Failure at Fifty

(Continued from page 56)

brains and ability. You can sell goods or services for another man, or merchandise for yourself, but when it comes to putting your own services on the market, talking up your own ability and making claims for the quality of your own gray matter, you are up against a real handicap.

The commodity which a business failure of advanced age has to sell is the knowledge of the common problems of business.

It is knowledge born of experience, skilled in business strategy, often schooled in adversity; it is rooted in a thorough understanding of business forms, procedure, and ethics. It has arrived at an accurate estimate of human nature, possesses a shrewd opinion of current events, and has the virtues of patience, tolerance, consistency and steadfastness that are undeveloped in buoyant youth.

It offers a service of loyalty and contentment that is free from the untamed, soaring ambitions of younger men who are eager to try their wings. It is more prone to study problems in the light of established precedents than to risk results by hasty experimentation. What it lacks in vision is compensated by reflection.

The artifices, evasions, subterfuges and shams in business dealings are a well thumbed chapter that the neophyte has yet to learn. It has independence of thought, tendency toward analysis, and sureness of judgment that only age and experience can impart. It shoulders responsible duties with a proper sense of their relative importance, while the spur of necessity has pricked its consciousness with a willingness to render more than mere value received.

The difference in the merchantable value of the commodity offered by the man of fifty, as compared to the man of thirty, is an encyclopaedia of business training twenty years in the making.

## A Defense of Lloyd's

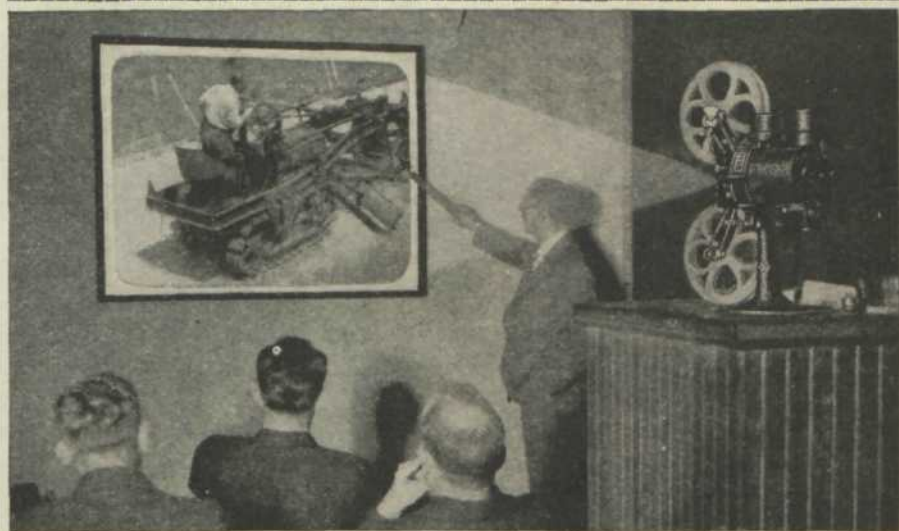
TO BE "the best known and least understood institution in the world" is a doubtful fame by any standard, yet that is the unhappy predicament in which Lloyd's of London is pictured by the *Financial Times*. Because of the bitter attacks emanating from the United States, this British journal sees a need for refuting the charges brought against Lloyd's, and accordingly denies that Lloyd's

gets its power from a Crown grant, that it is a trust with power to blight the careers of captains who may demand greater precautions than necessary, and that it grossly favors British ships at the expense of other vessels.

And as for the latest American "attack" on Lloyd's, it is

largely the result of confusion of thought as to the functions of Lloyd's, and Lloyd's Register of Shipping, and that it is based on beliefs so inaccurate that it is rendered totally ineffective by its very inaccuracies.

# Sell by movies!



## BELL & HOWELL Filmo is the ideal projector for business use!

MOTION pictures are selling merchandise of all kinds. Not only does the commercial movie make it possible to demonstrate and show in action products that are too bulky or otherwise impractical for carrying about, but it permits the practical visualization of all products in a way which puts across the sales story, unforgettably.

Speed up your salesmen by equipping them with compact, 16 mm. Bell & Howell movie projectors. It will mean quicker closures for them—lowered sales costs for you. For clear, unflickering movies, of theater beauty and brilliance—for efficient projection—be sure to specify Bell & Howell *Filmo* Projector.

Filmo is the highest quality 16 mm. projector made and it is recognized as such throughout the industrial world, in the home and wherever motion pictures are employed. Built to precision measurements by those who for more than 22 years have been specializing in production of professional motion picture apparatus, it gives precision results. In screen brilliance and all 'round performance it is so far ahead of the ordinary projector there is no comparison.

Compact, distinctive, impressive, long lived—complete and easy to operate from any light socket. Salesmen are glad to carry Filmo. In a moment's time, it can be taken out of its neat business-like 8 x 8 x 11 carrying case, unfolded and set up anywhere. Weighs only 9½ lbs. (15 lbs. packed for carrying with films).

Filmo simplifies the selling job. Organizes the sales talk. Rivets the attention of the buyer. Speeds buying action! No modern sales machinery pays for itself more quickly. Ask for concrete evidence.

Bell & Howell, foremost specialists in their line are also completely equipped to plan and produce your industrial promotional film. Check coupon for details.



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1812 Larchmont Ave., Chicago, Ill.  
Please mail me, without obligation, your new sales folder:

- ☐ Filmo Motion Picture Projector for Business Use—or  
☐ Seven Modern Uses of Motion Pictures in Industry.

Firm Name.....

Individual to Address.....

Address.....

City..... State.....

## BELL & HOWELL

*Filmo*

BELL & HOWELL CO.,  
Dept. C, 1812 Larchmont Ave., Chicago, Illinois  
New York, Hollywood, London (B. & H. Co., Ltd.)  
Established 1907

When writing to BELL & HOWELL Co. please mention Nation's Business



# Reducing the Toll of Traffic

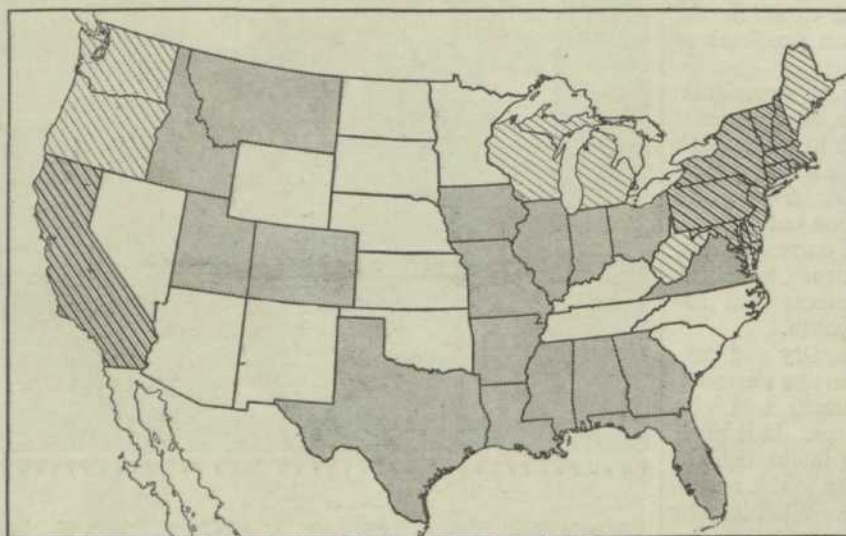
By A. B. BARBER

Director, National Conference on Street and Highway Safety

**I**N THE forty-three legislatures that are meeting this year, much attention is being given to state motor-vehicle legislation as a means of curbing the constantly mounting traffic toll—a toll that is now in excess of 25,000 fatalities and half a million injuries each year, according to the Census Bureau.

One of the most potent means of reducing motor-vehicle fatalities and securing more expeditious and orderly traffic has proven to be the Drivers' License Law, with mandatory examination of new drivers as provided in the Uniform Operators' and Chauffeurs' License Act (Act III of the Uniform Vehicle Code). This Act was prepared by the National Conference on Street and Highway Safety in cooperation with the National Conference of Commissioners on Uniform State Laws. Experience has shown that examination of new drivers and a strong centralized state bureau for administration of the license law are controlling factors in its successful operation.

As shown on the map, ten states and the District of Columbia have license laws closely paralleling that contained in the Uniform Code. Seven states require licenses but not mandatory examinations of new drivers. Nineteen states require chauffeurs to be licensed while the remaining 12 states have no license requirement laws on their statute books.



- CHART BY A. W. KOEHLER
- States providing mandatory examination for operators' license
  - States that license operators without mandatory examination
  - States that require operators' licenses only from chauffeurs
  - States requiring neither chauffeurs' nor operators' licenses

Census Bureau statistics as to automobile fatalities in the northeastern, middle-western and southern states from 1920 to 1927 offer a basis for comparison of accident experience.

With two exceptions (Maine and Delaware) the northeastern states have full-fledged license laws, with examination of new drivers and state departments or bureaus specialized in administration of the motor-vehicle law. As will be seen from the following figures, the increase in automobile deaths in those states was at a much lower rate than existed in the other two groups of states in spite of a larger increase in registrations than in the Middle West and nearly as large as in the South. In the Middle West fatalities and registrations increased rapidly at about equal rates. In the South the rate of fatality

increase was still more rapid and largely exceeded that of the registrations.

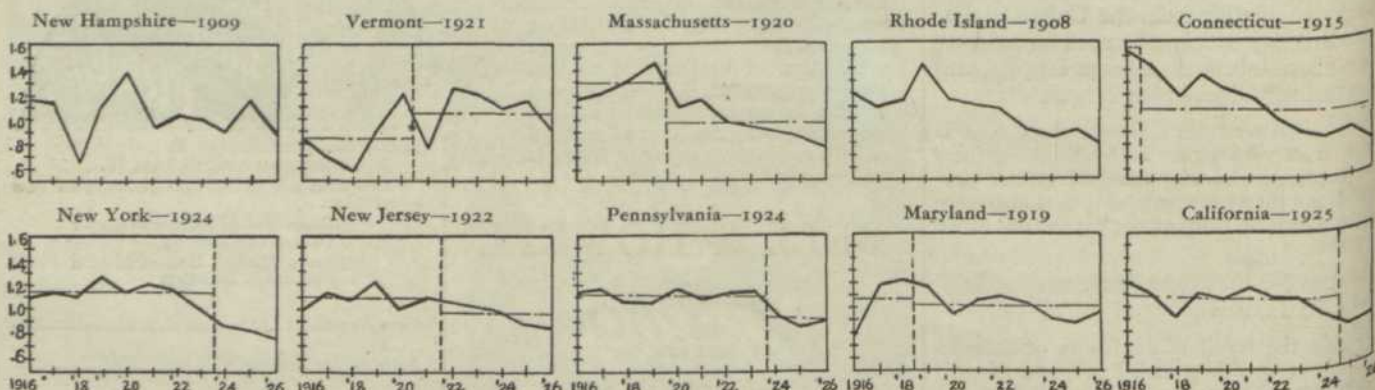
Northeastern States (Maine to Maryland, inclusive): increase in fatalities, 1920-1927, 76 per cent; increase in registrations, 176 per cent.

Middle-western States (Ohio, Indiana, Illinois, Michigan, Wisconsin, Minnesota, Missouri, Kansas and Nebraska): increase in fatalities, 1920-1927, 134 per cent; increase in registrations, 137 per cent.

Southern States (Virginia, North Carolina, South Carolina, Florida, Mississippi, Tennessee, Kentucky, Louisiana): increase in fatalities, 1920-1927, 259 per cent; increase in registrations, 210 per cent.

The conclusions from the Census Bureau figures are further confirmed by a study of the loss records of the casualty insurance companies made by William Cox. This study showed that the accident hazard in cities of states with modern motor-vehicle laws is 25 per cent less than in cities in states without such laws.

Still further support for the drivers' licensing principle is contained in a recent analysis by the National Safety Council of the experience of the licensing states before and after adoption of the drivers' license laws. The charts given below show indices worked out for the licensing states on the same basis and by comparison with the records of the nonlicensing states in such a manner as to eliminate other factors which might affect the results.

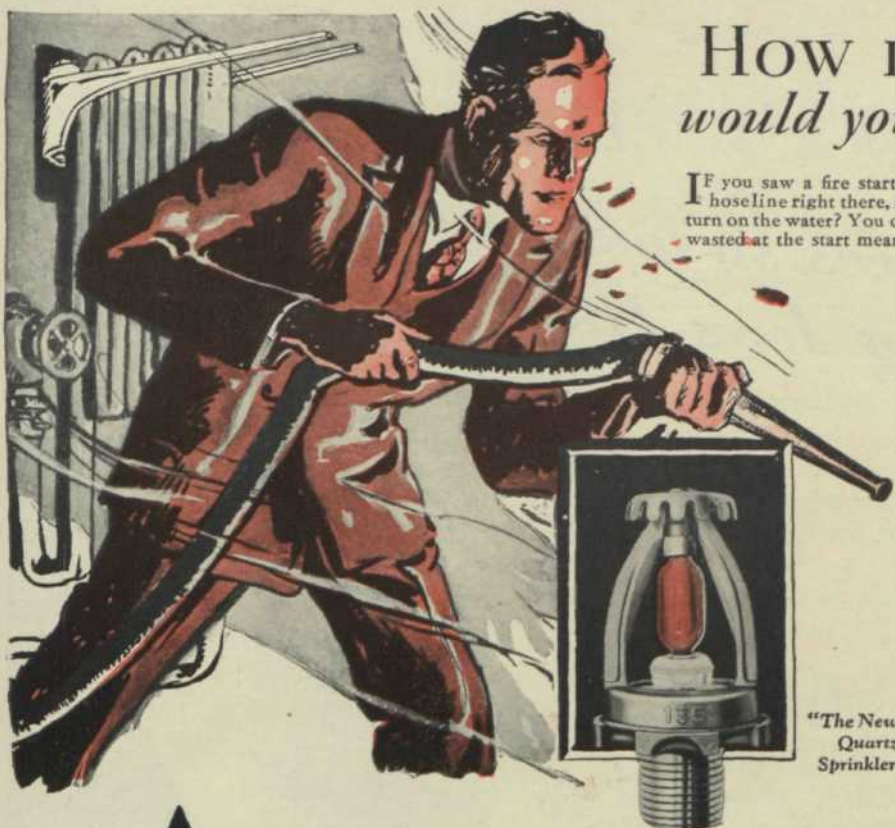


Dotted horizontal lines show the average of indexes of automobile deaths before and after adoption of drivers' license laws in these states. Dotted vertical lines show when the laws took effect. This chart is by courtesy of the National Safety News



## How LONG *would you wait?*

If you saw a fire start in your plant; if you had a hoseline right there, how long would you wait to turn on the water? You couldn't wait. Every moment wasted at the start means savage fire fighting later.



"The New Grinnell  
Quartz Bulb  
Sprinkler Head."

# A dream comes true

—This new automatic sprinkler invention  
deluges fire quicker than ever

**P**ROGRESS has a way of pausing and then making an enormous forward stride. Today, Science announces a surprise to the business world—a new invention to combat the terrific yearly loss by fire.

The automatic sprinkler invented by Frederick Grinnell nearly fifty years ago releases water on the fire as soon as heat melts its fusible solder. It has put out tens of thousands of fires, and saved property worth hundreds of millions. But all experts know that the saving of seconds and sometimes minutes is desperately needed at the very start of any fire.

Fire hazards are multiplying beyond anything imagined by Frederick Grinnell.

Quantity production with high speed machinery in vast open areas demands a super-sensitive device to check fires. Quantity distribution and the crowding of buildings with combustible goods also demands quicker action. Knowing this, Grinnell scientists have searched for a

metal, chemical, mineral or gas which would act quicker than the solder-sealed sprinkler head.

Endless experiments yielded not a ray of hope. . . . Then came a flash of genius—the invention of a quartz bulb containing a bubble of air in a sensitive liquid. At a temperature as low as 135°, it

automatically detects a fire, flashes open, releases water and rings an alarm. Not only that, but the bulb cannot corrode or deteriorate.

Thousands of fire chiefs and insurance experts greet the new Grinnell Quartz Bulb Sprinkler head as the crowning invention of the Grinnell laboratories.

### Grinnell Pioneering in other fields

**L**IKEWISE, leading engineers welcome the new products and processes produced by other divisions of Grinnell Company. In steam heating—the "Thermolier" is a development in unit heaters with fourteen points of definite superiority.

In Power—the development of the Triple XXX line of 100% pipe joints and fabricated materials for pressures up to 1,000 lbs.

In fire protection—a Simplex Dry System without the use of the usual differential air valve, and in special

hazards the Lux System of Carbon Dioxide protection.

In general pipe work—a line of unusually perfect cast-iron fittings and adjustable pipe hangers.

In Humidification—through its subsidiary, the American Moistening Company, the most unique humidity control ever known and a full line of products for maintaining desired air moisture.

Write today for further information on any of these products. Let us show you how Grinnell pioneering may put money in your pocket.

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Executive Offices: Providence, R. I.

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*With tire prices so low why be satisfied  
with anything less than the General*



Built in Akron, Ohio, by the General Tire and Rubber Co.



*The New* **GENERAL**  
**DUAL BALLOON 8**



# Babbitt Tells a Fairy Tale

By BERTON BRALEY

Decoration by Iris Johnston

*Once upon a time, there were elfs and wizards,  
Dragons spouting fiery breath from their burning  
gizzards,  
There were wicked ogres, there were mighty giants,  
There were fairy princes, full of self-reliance,  
There were magic mountains, magic lamps,  
and such,  
But as we see 'em nowadays they don't amount  
to much.*

THE telephone bell rang, and George F. Babbitt, real estate man, picked up the receiver at his house in Cedarcrest—A Superb Suburb for Home Loving People.

"Hello," he said.

"All right, put him on.

"Hello, Collins. How's everything?

"You are? That's fine. What train?

"I'll meet you.

"All right. We'll lunch at the Realtors' Club. If he's interested I guess I can sell him, all right. Let George do it. Ha, ha!

"Fine. I'll see you tomorrow then. Good-bye."

He hung up and called out, "Mother."

"Yes, dear," answered Mrs. George F. Babbitt.

"Bill Collins is coming in on the 11:40 from Indianapolis tomorrow. He's bringing a man who may locate in Cedarcrest. How about feeding the brutes tomorrow night?"

"Well, I guess I can scare up a dinner," said Mrs. Babbitt, "if you think it will help business."

"Why, mother," said George F. Babbitt, "your dinners would help sell ice to an Eskimo."

George F. Babbitt resumed his seat in the leather chair and relit his cigar. He opened a popular scientific weekly (for George was somewhat of an amateur scientist) and scanned the first few pages. But that is about as far as he got, for Junior, aged eight, and Dolly, more intimately known as Sister, aged five, came romping into the room.

Sister climbed on his knee, and Junior perched on the chair arm.

"Tell us a fairy story," then demanded Sister.

"Which one?" asked George F. Babbitt obligingly.

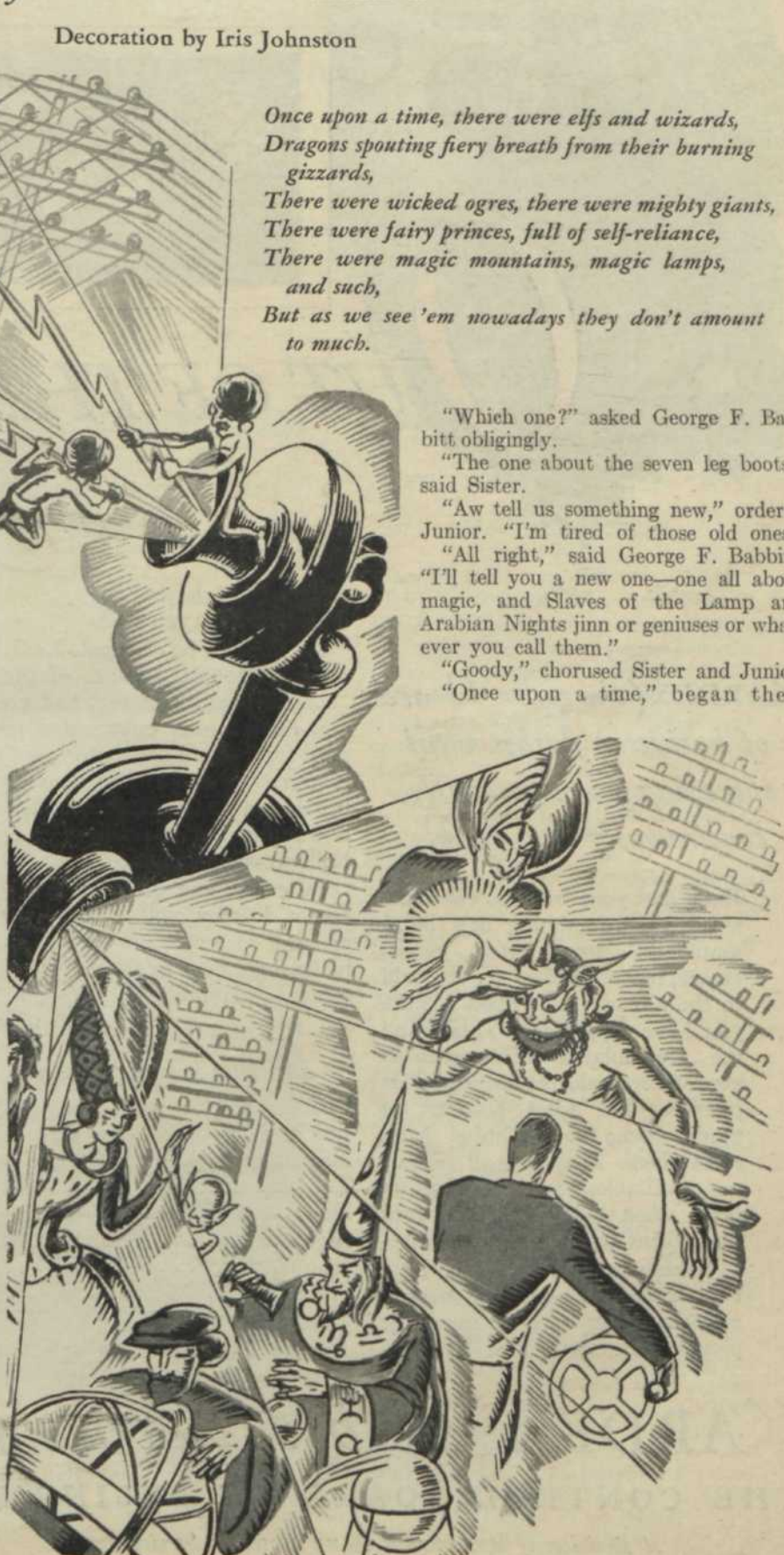
"The one about the seven leg boots," said Sister.

"Aw tell us something new," ordered Junior. "I'm tired of those old ones."

"All right," said George F. Babbitt. "I'll tell you a new one—one all about magic, and Slaves of the Lamp and Arabian Nights jinn or geniuses or whatever you call them."

"Goody," chorused Sister and Junior.

"Once upon a time," began their







**T**HE CONTROL BOARD OF A SUBMARINE: *Its commander's sixth sense.* Out of the blind depths surrounding him, its instruments assemble the essential facts about his distance below the surface, the speed of his motors, the condition of his fuel and air supply and signal them to him *instantly, continuously and visibly.* Any unusual condition *flashes* its warning.



## OUT OF THE DEPTHS SIGNALS

**KARDEX** (*the control board of business*) flashes vital operating facts instantly, continuously and visibly

EACH day your business continues steadily accumulating new information . . . from letters, remittances, reports, orders . . . to add to the already huge mass of data you have filed away. These, and the accumulated information in your files, make sound decisions possible. Yet what becomes of them? Some are recorded here, some there. They are all records and available, ready to give up facts when exhumed. But until then, silent and dumb as the grave.

When you call for all the data on a certain situation, the mass of material that arrives must be ploughed through, one by one,

until you find the particular information you need.

All this can be changed. Kardex Visible Records, because of their "control board" feature, will give you the essential information you need for a sound decision *instantly, continuously and visibly.* Any unusual condition and its cause flashes a warning unmistakably through brilliant color signals.

In every one of your departments Kardex will save a vast amount of executive worry and make more time available for constructive planning.

*The Kardex "control board"—and how it groups facts*

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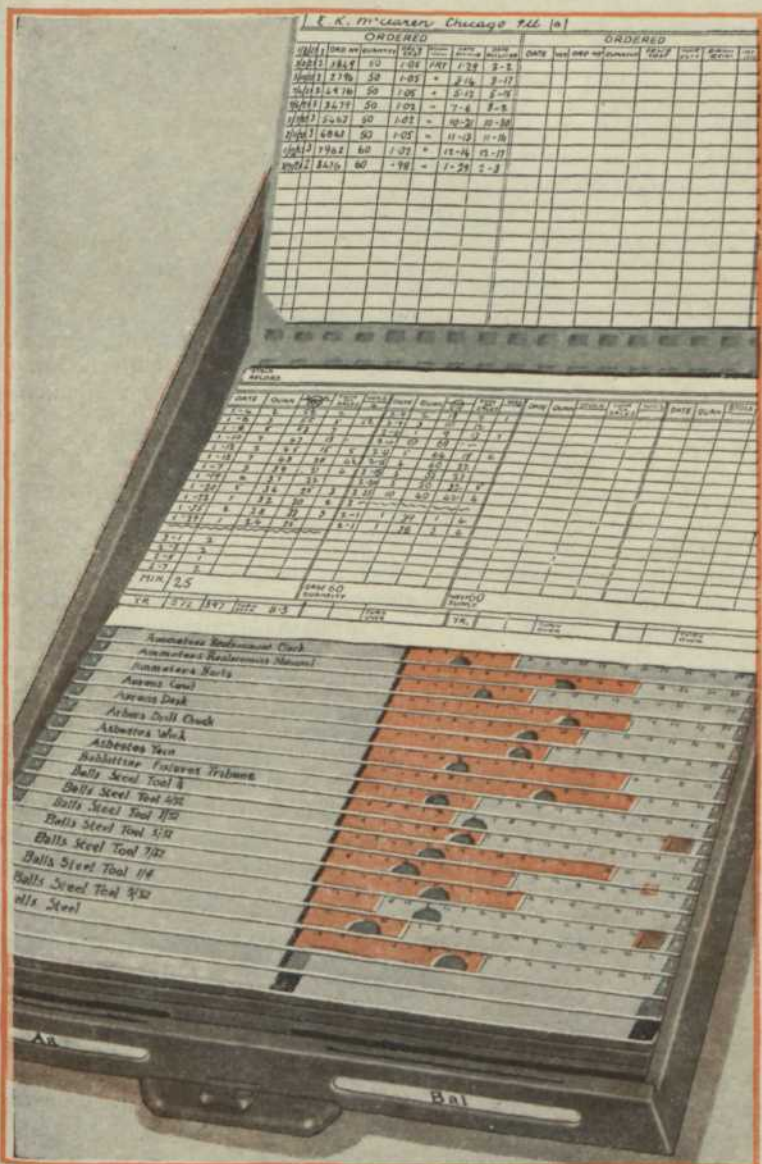
## THE CONTROL BOARD OF BUSINESS

*A Division of REMINGTON RAND Business Service*

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The Purchase Record form is filed on the back of the pocket. It carries all the information necessary to guide the purchasing agent in buying this particular item.

The Stock Record work sheet provides columns for posting date, quantity disbursed, balance of stock on hand, cumulated sales or withdrawals for the month and the number of weeks' supply on hand. Spaces at bottom are provided for entering the minimum, order quantity and weeks' supply.

The Yearly Recap form under the work sheet provides for a monthly recap of stock balances and sales covering a four-year period.

 The orange progressive signal indicates the weeks' supply of stock on hand by its position on the numbered scale.

 The green signal indicates the minimum weeks' supply at which time a replenishment order should be placed.

 The purple signal at the extreme right of the pocket indicates that this item is now on order.

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father, "there was a man and he lived in a house—"

"What kind of a house?" Sister asked.

"Oh, a house something like this house," said Mr. Babbitt. "Now this man was just an ordinary man like your father, and he had a wife and two kids about like you, but all the time he was doing things by magic."

"He had millions of people, and thousands of jinn, and all kinds of magic contrivances at his command."

"His house was just chuck-full of magic. He had a jinni in his kitchen that lived in a box, and without anybody telling the jinni anything the jinni made a certain kind of weather."

"I know," said Junior. "You mean the ice—"

"You're not to interrupt," said Mr. Babbitt.

"Well, as I was saying, this man worked all kinds of magic. But I guess the greatest jinni he had to serve him was the Black Gnome. But this Black Gnome didn't look like any gnome in the fairy books. He was black and shiny. He had a single round foot and a mouth and an ear. His mouth hung on one side of his ear."

"Did he eat anything?" asked Sister.

"Yes," said George F. Babbitt, "he did. He ate currents. All the time he ate currents! The currents he ate would shock you."

"He hadn't any eyes, and he hadn't any nose, but he was very wise, as this story of him shows. There—don't say your dad can't make up poetry."

"Where did he come from?" asked Junior.

"Well, I'll answer that question, even if it *does* interrupt me. He came from all over the world."

### Cosmopolitan Sort of a Jinni

"HE HAD a rubber coat. And *that* came from Brazil and from way out East, Singapore and Penang. And to make his coat wear there was sulphur in it—and that came from Italy and from South America and lots of other places."

"And the shoulders of his coat were covered with asphaltum—the same stuff they make streets out of—which came from Trinidad and Venezuela. And some of it was made out of petroleum, which comes from our country, and Mexico, and Russia, and Turkey and many other places."

"Then the sole of his one foot was wool, which might have come from Australia or the Argentine or the United States or nearly anywhere. And the cord that attached his ear to his mouth had copper in it, and silk and cotton. And the hook his mouth hung on was iron and was covered with nickel. Well, the copper might have come from England or from the United States or from South America, and the silk from Japan or China, and the iron from anywhere, and the nickel from Canada or Australia, and the cotton from Egypt or India or South Carolina."

"My, he was a mixed up kind of gnome, dad," commented Junior.

"Not mixed up, son. Just made up of a lot of things."

"Well, that was the outside of him. He was pretty simple outside. But *inside* he was a very complicated gnome. First place his eardrum was aluminum, and behind that was coal—little fine pieces of coal so he could hear better. And down in his stomach, where he lived on currents, he had iron things called magnets, and paper things called condensers, and pieces of mica to keep the currents from going where they shouldn't, and he had gold and silver and platinum in him so that he could tell what he heard better."

"Well, that was the way the Black Gnome was made. Of course that's just a tiny part of the story, because if I tried to tell you *all* about how the Black Gnome came to be in the man's house I'd have to talk about chemistry, and mining, and farming, and ships, and trains, and motor cars, and blast furnaces—and about inventors and scientists and I don't know what all."

### What Did He Do?

"BUT what did the Black Gnome *do*?" asked Sister. "Was he a good gnome or a bad gnome? And did he have an enchanted princess in his power?"

"The Black Gnome," said George F. Babbitt, "was the magic messenger for this man I told you about. And he was faster than any seven-league boots or any magic carpet. And he had thousands of enchanted princesses in his power. More than 150,000 in this country, and thousands more across the sea."

"He was a bad gnome, then," said Sister.

"No, he was a good gnome. The enchanted princesses didn't mind being in his power. You see, the gnome paid them for helping him carry messages."

"He had a lot of other servants, too. He had nearly 100,000 servants that spun magic webs to carry his messages. And he had 50,000 servants that made magic webs and enchanted machines and magic lamps for him. Another 60,000 servants that did his bidding in other ways. Inventors worked for him, and chemists, and mathematicians and architects, and engineers."

"He sent every kind of message you could think of, and in every language, too. There's some poetry about the messages that the gnome carried. It goes like this:

Words of wisdom and of folly,  
Words of joy and melancholy,  
Words of business and romance,  
Words of fate and words of chance,  
Words of play and words of labor,  
Words from neighbor unto neighbor,  
Words of hope and of despair,  
Throbbing through the earth and air,  
Flung across the land or foam  
By the power of the Gnome!

"Now I guess you'll see that a man who had this Black Gnome in his house had a pretty big jinni working for him."

"He musta been a tremendous jinni," said Sister, who was just beginning to pick up large words. "Did the man have to say a spell or a magic word to him, or something?"

"Yes, there was a magic word. But before I tell you that word I want to explain what happened when the man said it."

"The man would take the gnome's mouth off the hook first, and miles away a little magic Lamp would light up and one of the gnome's princesses would obey the lamp and answer. Then the man would speak into the gnome's ear, and his voice would start a lot of enchantment to working inside the gnome. And this magic would travel along that wonderful web I told you about—just think, the gnome had 56,000,000 miles of web to carry his messages; enough web to go around the world more than 2,000 times—and the enchanted princess would push a magic plug, and then another gnome, maybe thousands of miles away would summon *his* master, and the man's message would be carried quicker'n a wink."

"Once in a while, one of the gnome's servants might make a mistake in finding the right place for that message to go, but the gnome himself *always* delivered the right message."

"Of course I can't begin to tell you how many different kinds of magic the gnome performed in carrying the man's message. It would take years and years to explain what happened in ten seconds after that little magic lamp lit. And every single thing that happened was so wonderful that Merlin or Aladdin or any of those old small-time magicians wouldn't believe it."

### He Gets Perfect Coordination

"FOR instance, if the man wanted to send a message across the sea, he'd speak to the gnome about it, and the gnome would get busy and shoot the message to one of his princesses, and *she'd* call on a lot of jinn who lived in a very tall enchanted tower. And *they'd* grab the message and hop on the back of a bolt of manufactured lightning and zip! They'd ride over the ocean till they came to another enchanted tower, where they'd pass the message on to some other enchanted princesses, and they'd send the message along until it found the *very* man it was meant for."

"Of course the Black Gnome had to be very wealthy to do all this. But thousands of people gave the gnome money so that he could do his magic, and millions of other people used his magic and paid for it, and so he could do bigger and better magic all the time."

"How much money did the gnome have, dad?" asked Junior, who was a practical boy.

"Well," said George F. Babbitt, "he had about \$3,000,000,000 worth of magic apparatus that he used in carrying messages. You don't know how much that is, but if your fairy godmother gave you a dollar every time the clock ticks it





Mural by Arthur Covey. Wood block engraving by Howard McCormick

**T**O the master of mural painting, this panel in Norton Hall is "a portrayal of the spirit of the men who labor in the process of producing grinding wheels." To the shop man, however, it is merely "a mixing room." Here, with knowledge gained by long experience and scientific formulae, are mixed these master tools—grinding wheels.

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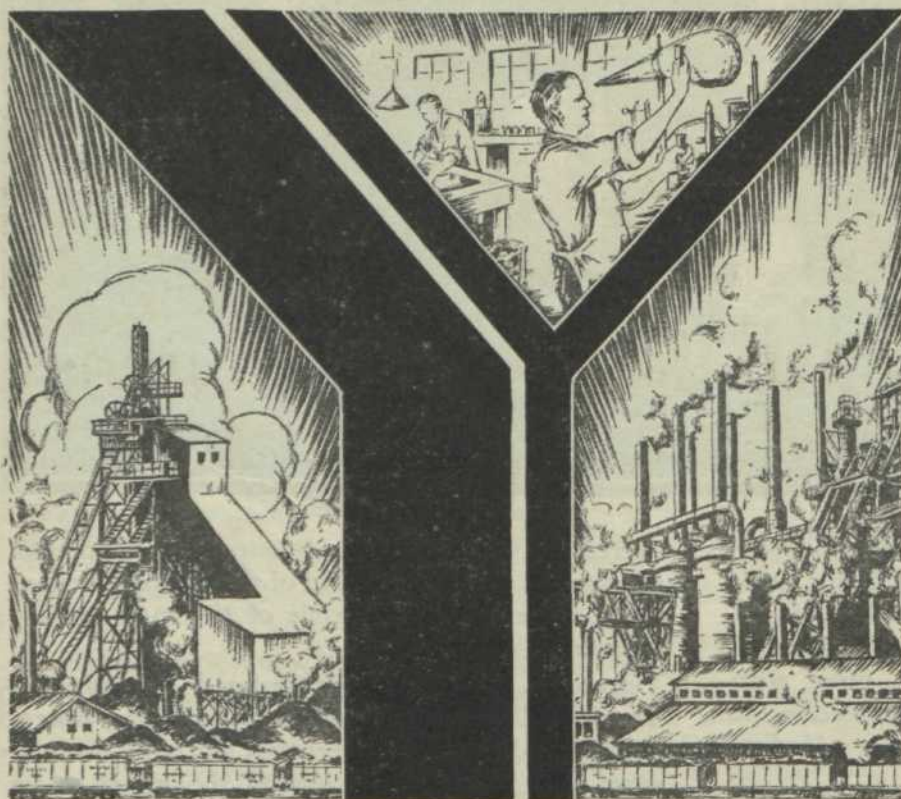


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would take her nearly a hundred years to give you \$3,000,000,000.

"Of course, I ought to tell you that this man's Black Gnome wasn't the only Black Gnome. There were millions of them in millions of houses, for the man lived in a fairyland country where such things didn't seem wonderful at all. Just think of it, there were Black Gnomes in more than 18,000,000 places in this fairyland country I'm telling you about, but people were so used to having jinn and gnomes and things around that they didn't think anything about them and their magic.

"There were even some people who said the gnomes were a nuisance, and that all this magic was a bore, and that life was much more interesting and romantic when there weren't any of these things to complicate it.

## Magic Used and Abused

"OF course, most of the people who said these things used the magic right along, and wouldn't have known how to get along without it, but that didn't keep them from saying that magic was commonplace and unworthy of the attention of intelligent people."

"Gee, what stuples," said Junior.

"Still," George F. Babbitt resumed, "the magicians went right on with their job. For instance, they got to thinking that it was too bad the Black Gnome was blind.

"Well, sir, they worked and worked on the Black Gnome and after awhile they gave him eyes.

"So after that some of the Black Gnomes could see. They could do more than that. They could make a record of what they saw and give their masters a picture of it.

"Well, people did think that was kind of wonderful, even in a fairyland country. Then they got used to it, like any other magic, and went about their business in this fairyland country and read adventure stories to get away from the humdrum life around them.

"And I guess that's all there is to this fairy story."

Junior, who was a bright kid, had been pondering while his father talked.

"Fairy story your grandmother!" he suddenly shouted. "I know who this Black Gnome is. It's the telephone."

Sister hopped down from her father's lap.

"And the man is you, Daddy," she shrilled. "And I don't care what Junior says, the Black Gnome is a simply tremendous genie, and Daddy's a magician, and I wished I was one of those enchanted princesses and, please Daddy, what's the magic word?"

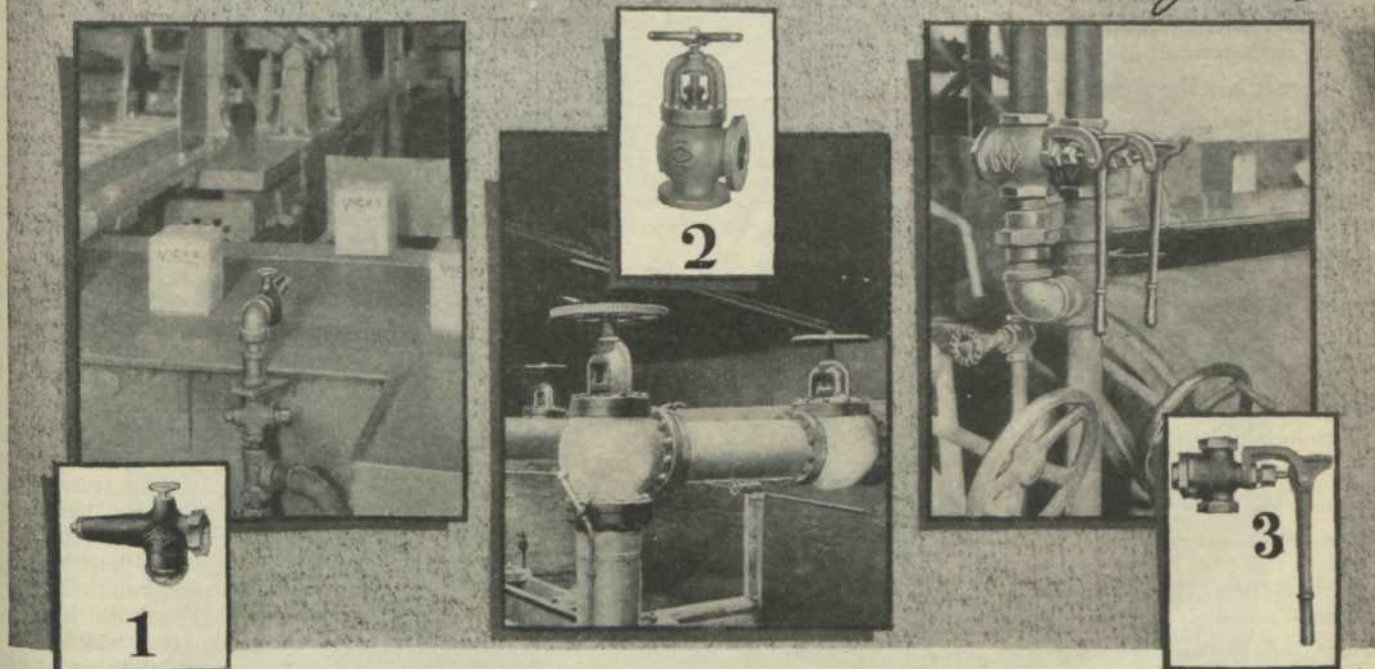
"I kin tell you," said Junior, "it's 'Hello, Central, gimme my number!' And the enchanted princesses are nothin' but telephone girls."

"I don't care," said Sister, "I think it's a wonderful fairy story, just the same."

"You're right, honey," said George F. Babbitt. "It is a wonderful fairy story—even if it does happen to be true."



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# Business Has a Spiritual Side

By CASPER S. YOST

*President, American Society of Newspaper Editors*



**T**HERE is an old Persian saying that "he who soweth corn soweth holiness." The thought is like a diamond with many facets. It may be variously interpreted and variously applied but never without recognition of a spiritual side to a material performance. In one sense it expresses the consecration of labor that contributes to the sustenance of life.

But in the same sense it has a broad application to all the activities that sustain and promote the welfare, the progress, the prosperity, the happiness of human life. There is no such activity which is or can be purely material. Whether it will or no, whether it is conscious of its presence or not, there is a spiritual accompaniment from which it is impossible to separate and which inevitably brings consequences of more or less spiritual value.

## A Long Uphill Journey

**I**F there is truth in the evolutionary theory of creation it is manifest that it has been a progressive development with the consciousness of man as its supreme accomplishment. It has been on this globe a process of slow preparation of a planet for the reception of life, much as a farmer prepares his ground for the seed; then the beginnings of life in the simple cell, its seed, and its evolution through countless ages to the spirit of man as its ultimate fruit.

In this prodigious process the spiritual has been produced solely through the instrument of the material. I refer to this because most of us are apt to think of spirit and matter, of the spiritual and the material, as separate and distinct, even antagonistic. Yet though in the moral sense they do have their conflicts, the fact remains that they are inseparable, and that it is only by means of the material that life is sustained and the spiritual created and given the means of activity.

In this life, at any rate, the spiritual cannot exist without the material, nor can it fruit abundantly without the stirring and enrichment of the material soil upon which its existence depends.

In all times and among all peoples the periods of greatest material activity have been productive of the chief spiritual achievements of human life. In the Middle Ages, for example, the spread of commerce and industry created a powerful middle class in the cities of Europe in which devel-

oped the inspirations of political liberty and intellectual progress, which ultimately destroyed feudalism and had many other tremendous results to civilization. Of the awakening of intellectual life, largely the outgrowth of commerce and industry Duruy says:

"Just as the clergy occupied themselves exclusively with questions relating to heaven, the laity occupied themselves with questions of purely earthly importance. The consequence of this simple change was the subsequent creation of physical, natural, and economical sciences, which in turn led to new ideas of social matters; and the man of modern times finally began the true conquest of the earth, his domain, and the conquest of his conscience."

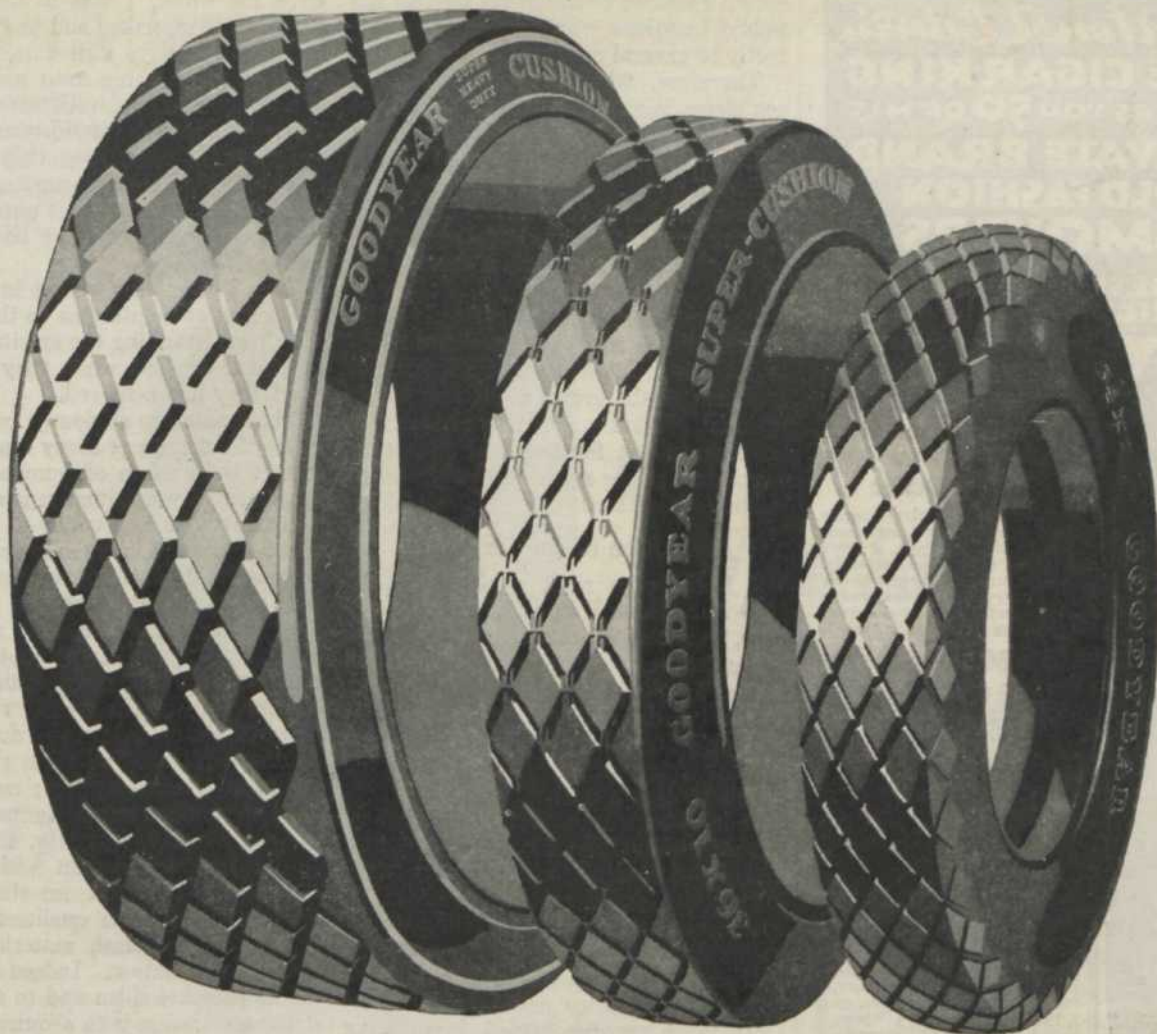
But what has all this to do with the chamber of commerce? Just this, that a chamber of commerce is, though one of many, a material instrument of spiritual progress.

Commerce is one of the world's greatest civilizers; indeed, it is claimed by many great thinkers, Huxley for example, that it is the chief agency of civilization, with, of course, the spiritual fruits of civilization.

## Both Material and Spiritual

**A** CHAMBER of commerce, to be sure, is organized primarily for business purposes and business deals entirely with material things. But in the promotion of its strictly business purposes it is contributing its share to these incidental but far-reaching consequences; it is aiding in the material welfare of its own community which enables the community to advance its culture, improve its social conditions, increase its facilities of education, philanthropy, and religion, enhance the beauty of its surroundings and promote the happiness of its people. These are spiritual fruits. More-





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over a chamber of commerce usually has public functions which apply more directly to general community betterment.

Therefore, whether a chamber of commerce is aware of it or not, whether it relishes it or not, there is a spiritual side to its endeavors. The mere organization of a group for the purpose of promoting the business interests of a community lays upon it an obligation to promote the best interests of that community.

It cannot serve the proper ends of its creation if it is made to administer solely to the selfish interests of the individual members of the group or of any clique within it. If it is worthy of the name, it is an organization for public service conceived in a public spirit and composed of public spirited men.

#### The Men of Public Spirit

"A MAN of a right spirit," said old Jonathan Edwards once upon a time, "is not a man of narrow and private views, but is greatly interested and concerned for the good of the community to which he belongs, particularly of the city or village in which he resides, and for the true welfare of the society of which he is a member."

It is of such men that a chamber of commerce is presumed to be constructed and the presumption is usually warranted though, of course, there are in every such organization individuals who are without public spirit. Assuming, however, that men of "a right spirit" are in the majority and in actual control of such an organization, it is always an instrument of public service, and is a valuable instrument in proportion to the intelligence it displays and to its appreciation of what is actually good in the objects of its enterprise.

There is, first of all, a moral value in such an association. A body of men forming themselves for the purpose of service to their community, which is in effect service to their fellow men, must be actuated by their own right spirit, and in the activities of their service their spirituality is given new and broader means of expression.

They may not be conscious of this, they may even deny it, asserting that a material organization for what may be purely material ends is not a spiritual endeavor and therefore cannot exercise the spirit. But they deceive themselves in the notion that spiritual things are separate from the material when as a matter of fact they are inseparably connected.

It is only through the material that the spirit can express itself at all, and it is only by means of material agencies that any human service can be rendered. Even in the exercise of religion, the highest expression of spiritual qualities, material service is a primary essential.

In that symbolical picture of the judgment, the Kingdom, it will be remembered, was awarded to those of whom it was said, "For I was an hungered and ye gave me meat, I was thirsty and ye

gave me drink, I was a stranger and ye took me in, naked and ye clothed me, I was sick and ye visited me, I was in prison and ye came unto me." Every one of these are material services. And when the astonished fortunates asked the Divine Judge when they had done these things to Him, he answered, "Inasmuch as ye have done it unto the least of these my brethren ye have done it unto me."

They did not know that in these material acts of helpfulness to their fellows they were attaining the spiritual heights and were amazed when they were told what they had achieved.

These acts are obviously but symbols of helpful service of every kind that advances the welfare of humanity. They are essentially spiritual undertakings whether one is aware of it or not, whether one so intends it or not. But the inevitable effect of an association of men of "the right spirit" for public service is the realization that a responsibility rests upon it to promote the exercise within it of those qualities that are summed up in the word "righteous," which Webster defines as "doing, or according with, that which is right, yielding to all their due; just; equitable."

It encompasses such terms as truthfulness, honesty, integrity, fair dealing, justice as between man and man, and it is found by experience that it is the application of these qualities that best secure the practical, material aims of such an association. Indeed it is essential to promote them and to apply them if the association is to acquire that public confidence in its merits and its purposes that is necessary to the larger results of its endeavors. It must, in short, be righteous, in the Websterian sense, if it is to hang together and effectively perform that public service for which it is created.

#### The Fruit of Collective Effort

ONE of the most remarkable phenomena of the social development of America is the tremendous growth of organizations for the promotion of group or general interests, and this growth has been most marked in the realm of business.

Less noticed, though more significant, is the development of a business conscience, growing out of that realization of public obligations which collective effort has awakened.

The attitude of business toward the public has been greatly altered in the past 30 years.

No doubt restrictive and often destructive legislation, which conscienceless corporations had brought upon themselves and upon all business, was an incentive to the change, but it was collective association, discussion, and action that brought business to a new understanding of its public relations.

That association prompted inquiry, analysis, introspection, and the consequent discovery within itself of errors of principle and of practice, injurious to it.



Four years ago he was nearly beaten, today he says, "I was never so happy in my life."



# Would YOU trade places? with THIS manufacturer?

## One Great Industry Points the Way

It's no secret that factories are moving South. Reports for one great industry tell of 109 new plants located during 1928 in Southern territory. Of the 109, just 59 were located in Piedmont Carolinas! Outside this section, the largest number placed in any one state was 13.

About half the capital invested in these 109 plants, went to the Carolinas.

## People Enjoy Life in Piedmont Carolinas

Amid the gently rolling hills of this remarkable section life is indeed pleasant. Country clubs and golf courses. Busy factories. Unsurpassed schools. Summers like southern New York's. Winters 15° to 25° warmer. Mountain resorts two hours' drive away. Wonderful roads. Seashore resorts a half day's distance by car. Find out for yourself how to live as well as work!

WHY shouldn't he be happy? He has no discontented help on his hands. He has no threat of strikes or troubles. His overhead is low, lower than he ever thought it could be.

His salesmen bring in more orders than he can turn out. He has kept every wheel turning ever since he started operations.

Prosperity has forced him to build a second plant, doubling his original layout. Now a new plant, giving him four times his original space, is waiting for him.

## Never Saw Such Profits

"Of course I'm happy. I never knew profits could be so easy. Most of my help never worked at a machine before they came to me. They learned fast. Never any trouble at all." That's his story. It can be yours, easily.

If you investigate the facts ready to lay before you, you will find conditions you never dreamed of, lying overnight from New York. Low rents. Low building costs. Low operating costs. High production. High profits.

## Here is Proof—Will You Read It?

Facts—dollars and cents facts—wage scales—freight—materials—power—living conditions—everything you want to know is in this report, "PIEDMONT CAROLINAS, Where Wealth Awaits You." Ask for it. It is sent free, without obligation. Your request, addressed to Industrial Department, Room 124, Mercantile Building, Charlotte, N. C., will receive prompt and courteous attention.



When writing to DUKE POWER COMPANY please mention Nation's Business



## Business Sagacity

Good common sense is just another mark of *understanding*. It is not rare in business. Only is it *uncommon* when it is so good that it is prophetic. But then it drops its maiden name and business knows it as Sagacity. Its ready, far-reaching, accurate inference from observed facts and figures, is a dependable power. It visions the human motives in conduct, and foresees results. With Integrity it is the most valuable of all human qualities in business.

Once, Sagacity considered itself a special gift of Providence—an inheritance from the family "Sage" tree, and only those who dropped therefrom had it.

But Modern Accountancy has changed even that. Business Sagacity today is just another mark of *understanding business*. And *understanding business* is largely the mark of Modern Accountancy.

## ERNST & ERNST

ACCOUNTANTS AND AUDITORS  
SYSTEM SERVICE

NEW YORK	PITTSBURGH	CLEVELAND	CHICAGO	NEW ORLEANS
PHILADELPHIA	WHEELING	AKRON	MILWAUKEE	JACKSON
BOSTON	ERIE	CANTON	MINNEAPOLIS	DALLAS
PROVIDENCE	ATLANTA	COLUMBUS	ST. PAUL	FORT WORTH
BALTIMORE	MIAMI	YOUNGSTOWN	INDIANAPOLIS	HOUSTON
RICHMOND	TAMPA	TOLEDO	FORT WAYNE	SAN ANTONIO
WINSTON-SALEM	CINCINNATI	ST. LOUIS	DAVENPORT	WACO
WASHINGTON	DAYTON	MEMPHIS	DETROIT	SAN FRANCISCO
BUFFALO	LOUISVILLE	KANSAS CITY	GRAND RAPIDS	LOS ANGELES
ROCHESTER	HUNTINGTON	OMAHA	KALAMAZOO	SEATTLE
		DENVER		

self from the purely material standpoint and, at the same time, ethically wrong.

It was discovered that bad ethics is bad business. Out of this has come the conviction, far from generally applied as yet, but constantly growing in its application, that in the long run and as a universal principle, "Whatsoever is not for the public good is not for the good of business."

### A Confession and a Declaration

THE conception and acceptance of that idea constitutes in itself a spiritual revolution. Whatever its sources or its motives, however material the considerations or the agencies that gave it birth, it is a spiritual achievement.

For it is a confession and a declaration that the good of business is bound up in the public good, that the welfare of business as an element of the public is dependent in a large degree upon the welfare of the public as a whole, and that business collectively serves its own interest best when it serves the public interest most.

It matters not that this idea and principle may be primarily the fruit of self-interest.

It is an intelligent and enlightened self-interest, that has acquired a vision beyond its immediate surroundings and has thereby discovered its true relation to society as an instrument of social and economic service.

And this awakened consciousness of its real function in human relations necessarily turns the thoughts of business more outward and less inward. It is compelled thereby to think more of that which, and of those whom, it serves; the needs, the wants, the aspirations, the rights, and the interests of the objects of its service.

### The Opportunity for Service

AND what is true of the relation of business to society in general is no less true, indeed is far more true, in the relation of business to the community in which it operates.

For here it is face to face with its public obligations, here lie the immediate requirements and the immediate opportunities of its service. The chamber of commerce, as the organized agency of business, is truly representative of business only when it recognizes this ethical relation and responsibility of business and labors honestly and intelligently for the welfare of the community it serves.

To the extent in which it contributes to the welfare and happiness, the enlightenment and culture of the community, and the beauty and pleasure and wholesomeness and comfort of all life within it, it is creating moral and aesthetic as well as physical values. No matter how material the means may be it is performing a service that in its ultimate is essentially spiritual.

There is a spiritual harvest in every material activity that brings forth good fruit of common service. It is profoundly true that "he who soweth corn soweth holiness."

### A FORWARD LOOKING MAN

If you have vision, and can see the profits in automatic merchandising, you might be the man to represent us in your territory. Foremost company in America. Adequate capital required. Already a going business in large New York Department and Chain Stores. Box 105, Nation's Business.

### 6% on Paid-Up Shares

7% on Installment Shares  
7% on Single Payment Shares

### 10th Ward Building & Loan Assn.

Walnut & Pacific Sts., Newark, N. J.

Assets, \$3,000,000.00 42nd Year

## NEXT MONTH

THESE men will write articles for Nation's Business in the April Number

THOMAS A. EDISON  
OWEN D. YOUNG  
EDEL FORD  
EDWARD A. FILENE  
SEN. JAMES COUZENS

Leading articles from leading business men every month in Nation's Business

**Pathfinder**

EVERY WEEK, 13 WEEKS  
\$1 A YEAR, 15 CENTS

Your neighbors know the Pathfinder and you will like it—the every week news digest from the Nation's Center. Bright, interesting, dependable, different—nothing else like it. Washington gossip, politics, science, travel, fun, lots of pictures, instruction, entertainment. Trial 13 weeks—13 big issues—only 15c or \$1 for full year—52 issues. Send now. Address Pathfinder, Dept. 61, Washington, D. C.







## YOU CAN'T BEAT "PROVED" PROTECTION



Substitutes for Genuine *Puddled* Wrought Iron Pipe lack one very, very important quality—the *proved protection* that comes from generations of actual use.

For only long years of experience can tell whether any pipe has real value—whether it will withstand *all* the forces that cause pipe to fail. Untried imitations bear the burden of proof. Let someone else take chances with them.

Reading Genuine Puddled Wrought Iron Pipe is the same wrought iron pipe that has served the Nation so faithfully for more than four-score years. There can be no doubt of its age-lasting endurance, because it is still made in the time-tested way—by puddling.

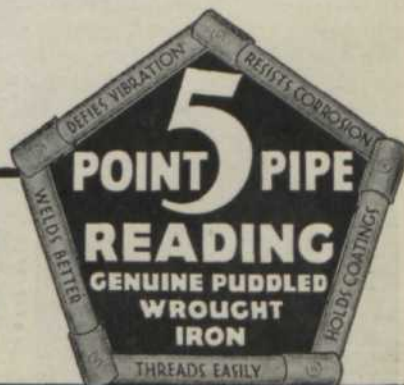
The Reading name and spiral knurl mark on a piece of genuine puddled wrought iron pipe mean proved protection. For this there can be no substitute.

READING IRON COMPANY, Reading, Pennsylvania

Atlanta	Cincinnati	Pittsburgh	Fort Worth
Baltimore	Detroit	Cleveland	Seattle
Boston	Houston	St. Louis	Philadelphia
Buffalo	Los Angeles	Tulsa	New Orleans
Chicago	New York	San Francisco	

# READING PIPE

GENUINE PUDDLED WROUGHT IRON







**The old trail becomes  
the newest highway  
to Yellowstone**

**S**INCE primeval days, in the Rockies of southern Montana, an enchanted valley awaited the notice of man.

Indians found it . . . Colter and the early trappers gazed in wonderment as they came upon its glories . . . venturesome pioneers explored its spectacular depths.

Years passed . . . to all but a few, it remained a land of colorful fiction.

Later The Milwaukee Road laid its rails into the Northwest. From the electrified transcontinental line, an arm moved southward . . . upon the maps appeared Gallatin Gateway . . . within sight of snow-crowned mountains beautiful Gallatin Gateway Inn was built . . . then motor buses began to wind their way up Gallatin Canyon's 85 thrill-packed miles to the Yellowstone wonderland.

A marvelous vacation trip—one you'll be glad to learn about—and evidence of The Milwaukee Road's efforts to bring to its patrons a maximum of service in every phase of transportation.

Official Opening  
Yellowstone National  
Park at Gallatin Gate-  
way, June 20, 1929.

For your copy of Gallatin Gateway folder or other information concerning this railroad, address The Milwaukee Road, Room 384 U, Union Station, Chicago.

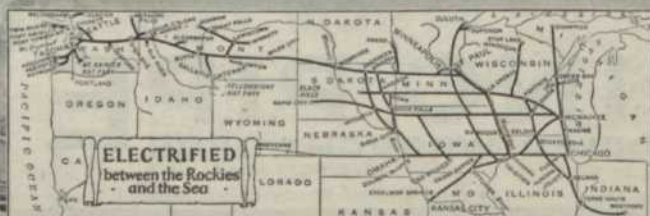
## FAMOUS TRAINS

*The Olympian*Chicago - Yellowstone  
Spokane - Seattle - Tacoma*The Pioneer Limited*

Chicago - St. Paul - Minneapolis

*The Columbian*Chicago - Twin Cities  
Yellowstone - Spokane  
Seattle - Tacoma*The Southwest Limited*Chicago - Milwaukee  
Excelsior Springs - Kansas City*The Arrow*Chicago - Milwaukee  
Des Moines - Omaha - Sioux City


# The MILWAUKEE ROAD




CHICAGO  
MILWAUKEE  
ST. PAUL  
AND PACIFIC

When writing to THE MILWAUKEE ROAD please mention Nation's Business





BLANK &amp; STOLLEN, NEW YORK

Seventy men he wrote once got together and gave him a whale of a banquet, roasting him as a business evangelist

## Selling to Men Who Won't Buy

By RUFUS STEELE

**V**ASH YOUNG was first mentioned to me as a life insurance solicitor in New York who wrote more than \$2,000,000 worth of policies a year as his regular stint, after being in the business a mere six years.

Then my friends added that their wiz of the life insurance game, instead of ambling forth with long lists of qualified prospects, had made that \$2,000,000 grade on cold turkey. That was too much, even for my credulity.

A check up was obligatory, if only to nail one more big-business lie. Then the seemingly impossible occurred. The checker found himself the checked. The irreproachable records of a certain big life company yielded strange figures and stranger facts. Cold turkey was the word!

Vash Young, it thus developed, was no boulder in the pathway of truth. He was not a stone at all. He was a story. He was a novel business chapter. The tale of him follows, in skeletonized form with the space given only to the high points.

Note one more triumph for the wonder age. Note a man who broke all the traditions of a line that fancies itself grown great on tradition and who, when he got himself completely into reverse, drove through to seven-figure success.

VASH YOUNG is a life insurance agent in New York who sells \$2,000,000 worth of policies a year—and all on cold turkey, to men who can't be talked to on the subject of insurance, can't even be seen. That is they can't be talked to or seen by the average agent. But Young has discovered an open-sesame that opens the strongest doors



CULVER SERVICE, NEW YORK

Vash Young had no one but himself and a secret idea to blame for his sudden separation from a profitable job in the advertising field. He left it to go and learn. He hadn't had a rate book in his hand three months before he had learned for himself the apparent truth

of the two cardinal propositions that seem to blaze out of the wall of every life insurance shop in the metropolis. They run about like this:

MEAN MAXIM No. 1—The people an agent knows have bought all the insurance they can afford to buy.

MEAN MAXIM No. 2—The people who can buy more insurance, whom the agent does not know, can't be talked to on the subject—they can't even be seen.

Young had cramped his knees under one of the narrow office desks at which outside men are allowed to do their inside thinking and was pondering the two miserable maxims when someone tossed him a newspaper with the suggestion that he ease his mind by browsing the news. What he browsed was an eight-column headline to the effect that the eminent financier, H. Worthington Lane, (this, for obvious reasons, is not his true name) had gobbled

two more banks and now had a combined capital of \$640,000,000.

Young drew a long breath and mumbled, "Then this might just as well be where we start." He whisked out a sheet of the Equal Justice's stationery, ran it into a decrepit typewriter and pawed



# How much for a Business without records?



**P**UT yourself in the shoes of the broker, the banker or the investor and try to imagine your valuation of a business — any business — without records. Good will, accounts receivable, insurance policies, contracts, and hundreds of other assets of a going business are all based on records. A business with-

out them is worth but a small part of its actual value. Have you fully protected the vital records of your business? The only proper place for them is in a Fire Resistive Safe. Diebold Fire Resistive Safes are made in all sizes and styles to meet the individual needs of every business.

In appearance and finish they enhance the beauty of any office. They are labeled by the Underwriters' Laboratories and have a generous margin of safety. Don't put it off until you have a fire — prepare today — write for details.



Let us measure your degree of fire risk and recommend the proper safe.

DIEBOLD SAFE & LOCK COMPANY, CANTON, OHIO

Represented in leading cities in U. S. A. and Canada

## DIEBOLD SAFE

ASK YOUR BANKER

When writing to DIEBOLD SAFE & LOCK COMPANY please mention Nation's Business

out and signed the following brief letter:

Mr. H. Worthington Lane,  
— Wall Street,  
New York City.

Dear Mr. Lane:

I have decided to become president of the Equal Justice Life Insurance Company.

You play an important part in my plans.

I will look in tomorrow and tell you about it.

Sincerely yours,

VASH YOUNG.

"I don't know why the outer office let you through to my desk," a surprised male secretary said to Vash Young at mid-morning the next day. "I haven't shown your letter to Mr. Lane; he has an iron rule against admitting insurance agents."

"I see my letter in your discard there," Young pointed. "Do you presume to make up Mr. Lane's mind as to who shall be president of the Equal Justice?"

The secretary treated the visitor to a soul-sizzling stare. The visitor's quiet smile didn't turn a hair. "I think I'm right—of course I may be wrong." The secretary got up hastily. "There's Mr. Lane coming out of the director's room. I'll show it to him now."

Letter in hand the near-a-billion banker beckoned the caller. "You're ambitious today, young man," he greeted him.

"I have to be—or I'd never make the Equal Justice a good president." The low-gear smile never faltered. But the magnate and his minute man stared and faltered and stared again.

"I get the impression that you're the kind that becomes what he means to be." H. Worthington Lane himself smiled faintly. "But also I get the impression that my part in your plans involves shooting up my insurance and that just isn't going to be."

### A Wallop for Cold Turkey

"MY hope of the presidency is this," frankly the visitor explained: "When I have a list of clients composed of men like you the Board of Directors will be helpless; they'll just naturally have to draft me."

"I'll bull the market that you're worth drafting for a good many things right now," said Mr. Lane briskly. "Thank you for calling. Good day."

Vash Young went out with his soles barely touching the ground and steadied himself against the cornerstone of one of America's financial Giblaltars.

"Wall Street," he exclaimed rather giddily, "you're spattered with gravy and don't know it. I've just handed cold turkey the biggest wallop it ever drew in the coldest city in the world!"

This young man emerging from a seemingly unproductive business call was handing himself the flowers that go with a soaring success. You must read the riddle thus: Mean Maxim No. 2 alleged that big people one didn't know couldn't be talked to—couldn't even be seen.

H. Worthington Lane was about the most beautifully barricaded horseshoe





*There's no fire so good, it cannot be made better with a sprinkling of Fyrewell Famous Reading Anthracite. Order a few tons today.*

## IF EYES ALOFT CAN'T SEE BELOW

Day after day come new triumphs in aviation. Day by day the number of airplanes aloft for business or pleasure increases. Municipal airports once thought sufficient for years to come are over-crowded with traffic.

But a danger once unthought of menaces the efficient use of the air lanes. A nuisance, much talked about but seldom abated, spreads its sable wings between eyes aloft and safety below, even though landing fields are so far out from the hearts of our cities that travel to and from the fields causes serious delays.

Smoke, an ancient criminal, party to property destruction, to defilement of civic beauty, to ill-health and death, does not permit man's wings to be free from its attacks.

Smoke must be abolished if our cities progress. Control of industrial smoke is getting better each year, but households continue to add their hundreds of thousands of contributions to the smoke-screen.

The easiest, most economical way to aid in preventing smoke is to burn a Pennsylvania hard coal such as Famous Reading Anthracite—smokeless, sootless, safe, dependable, long-burning.

**A. J. MALONEY**  
President

# THE PHILADELPHIA<sup>AND</sup> READING COAL<sup>AND</sup> IRON COMPANY

PHILADELPHIA • NEW YORK • BOSTON • BUFFALO • DETROIT • TOLEDO • CHICAGO • MILWAUKEE  
MINNEAPOLIS • ST. PAUL • ROCHESTER • BALTIMORE • WASHINGTON • READING • MONTREAL, CANADA

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## By all means call on these manufacturers

**THEIR** plants are scattered throughout the Nation's manufacturing centers. A day spent in each would be well worth while. You would learn from this trip, about the latest and best equipment, materials and supplies designed to help process industries in general, yours in particular.

You would find better ways to keep production cost down, improve your product, find new products to make and new materials from which to make them.

But you can do this to better advantage, more expeditiously and less expensively by spending a week at the 12th Chemical Industries Exposition—You will meet the leaders in the profession and the industry—see the best selected products of over 300 manufacturers—find the key to progress, self-preservation, and the means to meet the new competition.

You could not spend a week to better advantage without the persistent interruptions by your daily routine or be able to study, compare and decide under so favorable

conditions and circumstances as at this great exposition. Attendance is a vital necessity to all who would stay in the van of progress. Thousands such will come. And you—of course!



Management International Exposition Company, largest Industrial exposition organization in the world. 3137A

crab in downtown New York. Deliberately Young had chosen Mr. Lane as the rock on which to shatter Mean Maxim No. 2. He spent three days in picking his victory to pieces so as to learn everything it could teach him.

### A Resource Called From Within

**T**HE consciousness grew in him that he had acquired a bridge that was going to help him over future streams; he frankly credited the bridge to a resource he had been able to call up from within himself. Then, once more ready for business as usual, he did another huddle over the decrepit, pre-war machine. When his index fingers and fountain pen had completed their chore this was what showed on the company's stationery:

Mr. Copeland Galloway,  
— Wall Street,  
New York City.

Re: *The Kingdom of Heaven*  
Dear Mr. Galloway:

Entering as a little child does not mean last-minute childlikeness. Rather does it mean a humble, childlike spirit at the peak of one's career.

The simple, loveable side of a man's nature has little chance for expression during his business years because his time is taken up with his commercial affairs, yet this side is more important than wealth or position.

I have been doing some thinking along these lines and have hit on a plan whereby you may express yourself in a way that will make you longer remembered than anything else you have done.

Five minutes, please.

Sincerely yours,

VASH YOUNG.

The name of the addressee was actually not Galloway, but he was actually a partner in a firm whose money and influence were factors in half the countries of Europe. The letter writer knew what he wished to say to the international financier and he rehearsed it for his wide-eyed little wife before hitting out for the subway in the morning.

"Mr. Galloway," he explained to her, "I want you to take out a policy in an amount to be determined by you for a purpose which will make you not only willing but eager. The proceeds are not to go to your family, nor to a charity, nor to any beneficiary you might ever have had in mind. No, sir. This policy is to be an expression exclusively of your true self.

"You are to direct that one-half the proceeds shall be used to give an academic and then a highly specialized education to some laborer's son whose identity will be determined by the tests that establish his capacity. Aside from capacity for such an education, you will specify merely that it must be some boy who never heard of you.

"You will direct that the remainder of this money go to a friend you will name who has never known anything but the sunny side of life, with the stipulation that he is to find some one, young or old, who has never known anything but the shady side of life and see how he can

transform that person by giving him expansion in all the right ways that have been closed to him. In this you will be enriching two characters.

"And what is to be your return for all this? Since it is an expression of your true self, you are looking for no return; yet the truth is, Mr. Galloway, every time you think of this policy waiting like a bombshell in your safe, you're going to get a keener kick out of life."

When Vash Young presented himself to the financial giant's secretary that astute business woman studied him through her glasses and muttered, "The Kingdom of Heaven, eh? Yet he doesn't appear to be carrying any acids or guns." More audibly she said, "I have a surprise for you; Mr. Galloway is going to see you."

Mr. Galloway did see him—immediately. He brisked out of his metal-walled lair into the darkly-panelled reception room where fifty persons sometimes sat studying their toes, shook hands and inquired, "What can I do for the writer of that unusual letter?"

"You can invite me into your private office, Mr. Galloway," smilingly the caller replied.

"No," the great one contradicted, "I cannot do that. State your proposition right here."

Vash Young glanced around the gloomy cavern where delegations from abroad had huddled while the financial destiny of their country was being decided and shook his head. "Mine is a confidential sort of story," he said. "It wouldn't impress you out here in this—cathedral."

Galloway looked at him steadily, half turned toward the open door of the holy of holies, then snapped back to position. "It's out here or not at all, young man." A little clicking of the teeth set a period after the words.

### A Lesson In Letter-Writing

**T**HE caller confirmed his feeling with another glance around. "You'll excuse me, Mr. Galloway; but in that case, not at all." His smile came back, albeit a bit sorrowfully. "I thank the busiest man in New York for giving me an audience. I thank you also for what you've taught me on the subject of letter-writing. I'm going to sit up nights until I improve my style. Next time my letter is going to be more than—almost convincing."

When in the street Vash Young held a solo session that would have amazed Copeland Galloway.

"Hot zickity, boy!" he chirruped with both arms around himself. "Did you see Ol' Mister Midas do that hesitation—that million-dollar hesitation—when nothing but old iron force of habit kept him from letting me in! We'll polish up our game a little, that's what! Another fifty hours on that letter and our recipe'll be right. Now we've covered the second million miles on the road to somewhere."

The superannuated typewriter groaned and fretted through that Kingdom of





# INVITING

AN office like this calls you to more inspired work. It destroys forever the old idea of the "daily grind."

First, there is pride—the honest pride and self-respect of that good taste which likes to surround itself with the proper atmosphere.

Then comfort—for you spend a great part of your business life at your desk.

And finally, convenience that brings your

business papers and your business tools instantly to your finger tips, and makes the accomplishment of each daily task easier and quicker.

GF Allsteel Office Equipment brings you all of these things, together with permanence and beauty that endures for a generation.

Whatever your business is, you can wisely follow the example of those leaders who see in a well-appointed office two great virtues—satisfaction for themselves and a better impression on customers and clients.

## THE GENERAL FIREPROOFING COMPANY

Youngstown, Ohio . . . Canadian Plant, Toronto

BRANCHES AND DEALERS IN ALL PRINCIPAL CITIES

The GF Allsteel Line: Filing Cabinets • Shelving • Sectional Cases • Transfer Cases • Storage Cabinets • Safes • Document Files • Desks • Tables • Supplies



COMPLETE LINE OF OFFICE EQUIPMENT

When writing to THE GENERAL FIREPROOFING COMPANY please mention Nation's Business

ATTACH THIS COUPON TO  
YOUR FIRM LETTERHEAD

N.B.  
THE GENERAL FIREPROOFING CO.  
Youngstown, Ohio

Please send me a copy of the GF All-  
steel Desk Catalog.

Name.....  
Firm.....  
Address.....  
City.....  
State.....





## "I took a SEA VACATION and landed a whale of a contract"

"Felt used up. Took the *Majestic* to Europe. Corking sea trip—splendid food—rest and relaxation. Had a peek at London and Paris. Returned home—all in 17 days.

"But even more important—I'd never have met Col. Simmons otherwise. Struck up a smoking room acquaintance—and now he's our largest customer.

"Best of all, the cost was moderate."

If you feel a bit "seedy," why not sail on the *Majestic*, the world's largest ship, or the popular *Olympic*? If time is less pressing, we suggest the *Homeric*, *Belgenland*, *Minneapolis* or *Minnetonka*.

WEEKLY SAILINGS



For full information address  
No. 1 Broadway, New York,  
our offices elsewhere or au-  
thorized steamship agents.

**WHITE STAR LINE**  
**RED STAR LINE-ATLANTIC TRANSPORT LINE**  
INTERNATIONAL MERCANTILE MARINE COMPANY

When writing please mention Nation's Business

Heaven letter forty times, and gradually inspiration fused into it several slight but dynamitic changes. Thirty-nine copies went into the wastebasket. The fortieth copy served as model for duplicate letters to eight lights of the financial firmament of a magnitude less only than that of Galloway and Lane.

Within two months five out of the eight unseeable and miracle-proof executives had ordered their policies in amounts that left the originator of their form of self-expression somewhat groggy. His tongue did not work but his smile did when he gathered with the other heavy thinkers in the outer office at the end of the day.

Little need for him to waste words, for the fact-featuring blackboard in the big room noted with sufficient eloquence that Vash Young had written his first \$200,000 of insurance.

"O World, as how?" moaned one of the company's steadiest pavement-pounders as he tried to stare the blackboard out of countenance. "How come that all the lightning of luck wastes itself on one hollow tree?"

The hollow tree did not resent the remark. He didn't hear it. His thoughts were off on unsuspected and fascinating pathways he could now see lay ahead for a nimble-footed writer of letters.

But punching a typewriter wasn't the whole story. Young soon got the precise gauge of epistolary appeal. His letters could get him through closed doors, but they could not alone sell his merchandise. The mighty no-admittance men, once they had admitted him, saw him as an ordinary mortal and were ready to shrug back into their coats of mail. But Vash Young slithered through the joints of their armor with words that gave him a new half-Nelson.

### Straight Out of His Heart

WHAT he had written them was out of the heart; what he had to hand them was something more out of the same place. He was never argumentative, never insistent, never boresome; but he was logical, convincing, and above all, illuminating. He pricked the dull ears of weary men with the music of novel opportunity. And while he was singing it the horsepower of his honest smile made them feel precisely as though the ticker were telling them that their favorite holdings were doing a new high.

He was gloatingly glad to be a life insurance agent because that seemed to let him tell a few men who were so successful as to be uninformed a few of the fine facts he had picked up about existence.

Only once, so far as he learned, was his life in jeopardy. A shipping magnate, firmly hooked, was in the throes of dictating the wording of his policy when suddenly he pushed the paper aside and said, "I'll ride with you all right, but let me change this set-up so that half the money goes to an orphan nephew whom I've never given anything but cussing."

Young was tired, also he had a soft spot for orphan nephews. For a moment

he felt himself yielding, then he slammed the paper back in front of the ship-master.

"Not on your life!" he denied the request. "This policy isn't taking care of your relatives but of your immortal self."

### The Perils of Backing Water

AFTER everything had been signed, sealed and delivered and the salesman was on his way out, Old Ships called him back. "Say, Vash," he grinned, "you stood the acid test all right when you were in here the other day. I just had to know that this thing isn't the salesman's flubdub my secretary says it is. If you had backed water when I sprung that imaginary nephew on you, I'd have used an old whaler tactic to bunt you through the window and left you to find your own way down 32 stories to the sidewalk."

Letter-writing was a mainspring of a business that grew steadily—no, it often leaped along unsteadily—through the years. But letter-writing's chief function remained that of taking the curse off of cold turkey, and the follow ups on letter-writing would fill a volume in themselves.

Every case, almost, was a special experience. There was, for example, much of revelation in the case of Humphrey Howe—and once more everything is accurate in the recounting except the man's name. Vash Young had never met Humphrey Howe, but he knew the live wire by reputation.

When Young's breakfast newspaper told him Howe had been chosen to manage a group of high class publications he wrote a letter of congratulation on tell-tale stationery and informed the new directing head that he would phone and ask for a time to call.

"I thank you for that corking letter," Howe said over the wire the next day; "but really, old man, I'm too busy breaking in to see any callers this week."

"I can get that," concurred the soft voice of Vash Young. "How about ringing you again next week?"

"Oh, sure—and thanks."

On Friday Young wrote Howe to call his attention to an easily-corrected flaw in one of the publications and on Tuesday he gave him a ring. Howe was glad to hear the agent's voice, he said, but he regretted that he was just heading for the Grand Central and Boston.

"O.K.," was Young's instant answer. "Ring you next week if it won't bother." But a week later Humphrey Howe was being wafted in and out, and the following week he was trekking to a train for Washington. The almost incredible fact is that Vash Young rang up Humphrey Howe every week for 52 weeks and wrote him likeable letters between rings.

On the fifty-third telephone call Howe threw up his hands. "Young," he said, "I can't think of a single honest reason why you shouldn't come over here this morning, and somehow I'd like to look into the face that surrounds your voice."

When the salesman entered the big





# PACKAGE ENGINEERS

*are now doing surprising things with textile bags*

*... often saving thousands yearly for shippers  
previously unaware that they could use bags*

INDUSTRY is witnessing remarkable developments in package economies. Surprising savings are now being made by manufacturers and distributors who previously believed bags to be impractical for their use.

By engineering study and laboratory methods, textile bags have been designed to meet all requirements of a wide range of products—for many of which bags were thought to be beyond consideration.

Heavier, more costly containers have been replaced by bags and as a result, shippers can point to large savings in initial cost—in make-ready costs—in storage space costs for

both full and empty containers—in filling, closing and handling costs—in car loading costs—in freight costs.

There is *big news* for all manufacturers in the work of these package engineers—yet their work costs you nothing and places you under no obligations. They are ready to make their study and their experiments and tests—ready to prove whether textile bags can save money for you, regardless of character of product.

May they have that opportunity? A brief note to this office will start them to work on your problems. Why not write today?



## TEXTILE BAG

### MANUFACTURERS ASSOCIATION



205 W. WACKER DRIVE

CHICAGO, ILLINOIS

*When writing to TEXTILE BAG MANUFACTURERS ASSOCIATION please mention Nation's Business*



# Figure it instantly with the MULTI-VIDER

*Multiplies—Divides*

Scientific Calculator and pencil in one



The new Executive Multi-Vider is made of light, durable Bakelite. Outside metal parts all 14-karat gold-filled. Positive pencil action. Large eraser and lead chamber. Of lifetime durability.

**YOU** are a business or professional man. You have figuring to do. The Multi-Vider can save you a lot of time. Just shift these magic Bakelite scales—in a few seconds this remarkable instrument gets stock yields, percentages, sales data, man-hour costs, solves any of a host of problems you meet daily.

And the Multi-Vider writes the answers down. It is as fine an automatic pencil as you could buy—made with precision accuracy.

With a few minutes' practice, anybody can learn to use the Multi-Vider. It is as easy to read as the hands of a clock. Teachers advise it for children from high-school age on as an aid in the study of mathematics and science. It is ideal for travelers wrestling with foreign exchanges.

## The new Executive model is ready

You will want a Multi-Vider for your own pocket now. The price of the handsome new Executive model is \$10.00, no more than you might pay for a high grade pencil alone. Cap point and clip are 14-K gold filled—a very satisfying gift. The Junior model, metal parts in heavy silver plate,

is \$5.00. Multi-Viders can be furnished with your company name engraved at special quantity prices. If your dealer doesn't have them, send the coupon.

## Introductory Offer

RUXTON MULTI-VIDER CORPORATION,  
2452—R1, Graybar Bldg., New York City

Send me Multi-Vider Pencil with New Instruction Booklet. I enclose \$10.00 for each Executive Multi-Vider ordered. (\$5.00 for Junior model.)

Name \_\_\_\_\_  
Address \_\_\_\_\_  
Dealer's Name \_\_\_\_\_

When writing please mention Nation's Business

private office where modern conveniences snuggled out of sight in deference to furniture of sixteenth-century Italy, Howe gave him a clean grip and a searching facial examination.

"Glad to know you, Vash Young," he acknowledged, "and sorry as hell to have to tell you, after your world-beating exhibition of patience, that I'm off old-line insurance for life because they will bale it in such bunk."

Vash Young's face beamed like a mid-summer moon. "Put her there once more, old pal," he shouted; "them's my sentiments precisely!"

Humphrey Howe sat down on his high-backed chair rather suddenly. "Then what, in heaven's name, is it you've been trying for a year to peddle me with?"

"I had a notion maybe you'd like to buy a bunch of money on the instalment plan," Young replied. "I call it money, but what I really have in mind is a snug estate. You fellows in the writing and publishing game have a bigger heart than a beef, but I know your work is as full of twists as a corkscrew."

"I can guess you figure that at the end of a stretch of hard work you're going to have about so much to salt into a tasty estate for the wife and kids—but Lord, what a chink of changes and backsets there seem to be in the publishing game! I'd like to hand you over the papers for that estate right now, and you can pay off in instalments as the years breeze along."

"If you should happen to pass out of the picture before the instalments are all cleared—which the good of the world forbids that you should pass out at all—my company would simply write 'Paid in Full' across your manifestly good intentions, and the wife and kids would get every stick of the estate you had planned for them."

## The Rewards of Irregularity

**WHEN** the publisher found his voice it was to murmur, "Of all the life insurance hounds out of captivity you're the farthest from regular that ever stole a man's breath!"

"Don't be insulting," smiled Young. "I was never for an instant a regular life insurance agent. Those birds roam around peddling death. They don't even know the reason people don't like them is because they're full brother to the undertaker."

"Honestly, just what is it you sell?"

"Honestly, just what I'm spreading on your counter—money on the instalment plan, estates on the instalment plan, every material thing men sweat and struggle for, on the instalment plan. The moment you order it it's yours, because the company agrees in the contract that any payments you don't live to make they'll make for you. But my hope is that every customer of mine will outlive his premium days so I can hand him the works in person."

Humphrey Howe went around and laid a hearty hand on his visitor's shoulder. "My friend, where have you been

keeping yourself and your leviathan idea all this time?" he demanded.

"In outer darkness, I'm afraid," Young made confession. "I've let a telephone keep us apart for a year. But for that fool instrument I'd have seen and done my duty—I'd have come over here and crashed in with an ax."

## Birthdays as Business Aids

**H**OWE wound up the interview with four weighty words: "Go tell my wife." The salesman had her told in an hour. He made out a policy for \$25,000 and fetched it over. It loosened Howe's jaw as he read its pleasant phrases and he told what his yearly salary was. Young reached over, lifted the policy out of unwilling hands and tucked it into his inside pocket. "I offer you my apology," he said. "A man who wears a salary such as that is due to take all the company will allow him." The company allowed \$95,000.

Young initiated business by finding out big men's birthdays and writing them just before an age change. He clinched business by refusing to arrange a policy for anybody who couldn't see it as an opportunity. He was the easiest caller to get rid of busy executives had ever had in their visitor's chair. He was so willing to go they detained him.

When through talking about life insurance, they made him go on talking about life. In notable instances they took the taste of cold turkey out of his mouth by passing him along to friends as able to buy and as hard to get at as themselves.

"I don't want him to insure your miserable life," one railroad president phoned another, "I want him to ease your mind and save, if any, your soul."

Seventy men he wrote once got together and gave him a whale of a banquet. They toasted him as a business evangel. One of his risks, without getting together with anybody, tried to give him a Rolls-Royce.

Finally I cornered this most singular of salesman. He is round-faced, merry-eyed, bald before 40, and notably soft of speech.

"You're the strangest seller I've ever tried to trail," I admitted. "Where, maybe, did you get your selling ideas?"

"Some of them, maybe, from the greatest salesman that ever lived," he replied. "Where did he live?"

"In Jerusalem and in some hard little town outside its walls. He was born in Bethlehem of Judea."

"What was his name?"

"You won't have to trail him as hard as you've trailed me in order to find out."

"But what is it that a man has to do about cold turkey?"

Vash Young's face lighted with the smile that sells the world because there is behind it some sure light of knowledge.

"A man doesn't have to do anything about cold turkey," quietly he answered. "At least he doesn't have to as soon as he learns enough about human kindness to keep him in June days when the calendar says it's December."



# COLOSSUS OF MARKET PLACES

*Eliminating  
Scattered  
Sources of  
Supply*

*Less Time  
Buying  
More Time  
Selling*



## THE MERCHANDISE MART

### CHICAGO

FOR MANUFACTURERS and wholesalers, The Merchandise Mart offers an address of prestige because this great "Department Store for Stores" will be the largest building in the world and one of the best known locations for wholesale market activities.

Therefore, the publicity value of sales quarters here is a factor to consider, in addition to the more tangible advantages of sales and distribution economies which The Mart will bring.

THIS unsurpassed mercantile concentration at the trade and traffic center of the nation will be a superlative magnet for buyers. It will influence thousands of them—especially those representing stores in the rich central area—to come oftener to market.

Notable savings should be achieved in trunk, travel and other field sales expense by manufacturers and distributors who use The Mart for permanent showrooms and salesrooms.

Prospective tenants will find that the cost of a lease for Merchandise Mart space is smaller than that for comparable spaces in locations less favorable for wholesale merchandising.

♦ ♦ ♦

NOW is the time to investigate the possibilities of a permanent display at The Merchandise Mart as a part of your selling program for 1930.

Outstanding concerns in important industries already are leasing space here. The better locations in the building will go naturally to those first to make their selection of Mart quarters.

*Write today for floor plan and blueprint*

OFFICES: 215 WEST WACKER DRIVE • CHICAGO





## The Farmer's Horizon Brightens

(Continued from page 60)

was 96 acres; in Nebraska, 103 acres. In the ten years following 1910, the ratio of crop production per farm worker in the United States increased 18 per cent. These facts show that the rural population is not deteriorating in industrial capacity.

On the social side there is equally impressive evidence. College students from rural districts continue to make high scholarship records and to succeed rather conspicuously after graduation. Rural villages like Lindsborg, Kans., and Springville, Utah, continue to contribute notably to America's achievements in the fine arts.

### Farmers Getting an Education

TWO of our most distinctly agricultural states, Kansas and Nebraska, tied for fourth place among the 48 states not long ago in the proportion of their population attending college. They were outranked by only three states, Iowa, Utah and Oregon, all of them essentially agricultural. At the same time, Massachusetts, a highly urbanized state, ranked twenty-second.

Great improvements are being made in the rural districts in the matter of creature comforts. Rural roads, schools and homes are sharing in the improvements. Farms and farm homes are being electrified at an accelerated rate. This is helpful to the farmer and a godsend to his wife.

It is remarkable that many striking changes for the betterment of the farm home have taken place in the midst of economic depression. In Nebraska, for example, from 1920 to 1925, the number of farm homes having water systems increased 118 per cent; the number having heating systems, 75 per cent; and the number having lighting systems, 87 per cent. In a five-year period beginning two years later, in Kansas the farm homes with water systems increased 62 per cent; those having heating systems increased 40 per cent, and those having lighting systems increased 38 per cent. In Kansas, more than 77,000 farms, or nearly half the total number, have radio sets.

People who bring about such economic and social improvements are not likely to be deteriorating. And it is just as well to call attention to some of these bright spots in the picture in the interest of the plain truth and for the beneficial effect on the farmer's morale.

The American farmer, like the manufacturer and retailer, is facing numerous difficult tasks. He faces staggering tasks in the development of satisfactory methods of financing and marketing. He needs to obtain reforms in taxation. He must conserve the productivity of his soil, improve his plants and animals and protect them against diseases and insect pests that become more numerous as the coun-

try grows older. He must provide for his children's education under conditions that are baffling both to rural and urban parents. To perform these tasks adequately requires high morale.

To maintain and improve the farmers' morale it is desirable that persons and agencies that concern themselves with rural affairs assist in the development in rural communities of the spirit which any people must have to perform difficult tasks. There is need for emphasizing the favorable as well as the unfavorable aspects of the agricultural situation.

In the development of morale among farmers, there is no more important agency than the newspaper and farm paper. They are potentially handicapped by the fact that calamity usually has a greater news value than success. A story of a murder usually excites more interest than the report of a birth. The former commonly finds a place on the front page while the latter gets a line in the vital statistics.

Nevertheless, there is no more important agency for development of that spirit than the newspaper and farm paper. Fortunately, there is a growing tendency for the press to publish "good" news as well as "bad" news relating to rural affairs. Moreover, publishers and others interested in the public weal are giving increasing recognition to farming as one of the great professions. This is an indication of improved public intelligence.

### Improving the Farmer's Morale

IN many places country bankers are contributing effectively to the improvement of the farmers' morale. They are contributing both to the confidence and to the discipline of farmers. These two are important features of morale.

Pastors in rural churches, if sufficiently well informed, can render valuable service by stimulating an intelligently courageous spirit among the members of their congregations.

Morale is essentially a spiritual thing. Rural pastors who have a sound understanding of agricultural problems and of rural values can do much to develop this spiritual resource.

The farmers' morale is on the mend. The experiences of the past eight years have helped develop an essentially new type of farmer. The farmer now has some painfully gained knowledge of boom and depression as a part of his intellectual and spiritual equipment. Increasingly he is getting the cooperation of other people who are intelligently sympathetic with agriculture and rural life. As the farmer and these other people develop understanding of the mutuality of their interests, of the forces that underlie sound agriculture, and of methods of utilizing these forces, we shall see the growth of the spirit that alone brings victory—the spirit that is called morale.



## Economy

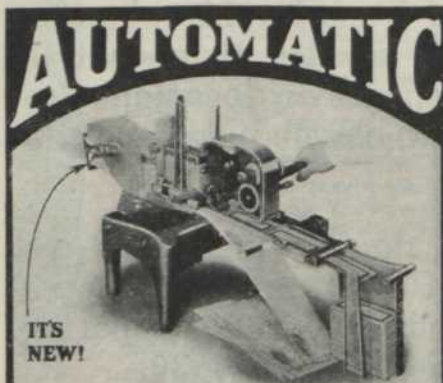
WHEN production calls for additional space—when experimental work must be housed—when expansion is the program and there's need for warehouse—garage—watchman's shelter or complete plant—order your buildings out of stock—the most economical way to buy. Made of die-stamped, interlocking standard sections of Lyonnore Metal, the corrosion resisting alloy. Maryland Metal Buildings are up in a hurry—there to stay—strong, durable, fire-proof, safe.

Our new illustrated catalog is now ready for distribution. May we send you a copy?

**MARYLAND METAL BUILDING COMPANY**

2600 Race Street  
Baltimore, Md.

"Built for Permanence"



IT'S  
NEW!

NO more slow hand-feeding of envelopes into an addressing machine one by one!—Get a demonstration of this wonderful new popular-priced addresser.—It automatically feeds envelopes into itself as fast as you can turn the crank.

**DOES A DAY'S WORK  
IN 5 MINUTES**

Four times faster than other addressing machines of similar size and price.

For complete information and a FREE BOOK on Direct-Mail Advertising, pin this ad. to your business letterhead and mail to us.

**ELLIOTT  
ADDRESSING MACHINE CO.**  
144 Albany St., Cambridge, Mass.



# He needed a machine that didn't exist



*Because of the strictly confidential nature of our service, the name of this company and the intimate details cannot be published . . . But as much as is told here is absolute truth, based on actual fact.*

*then*  
he saw our  
advertisement

**H**E WAS facing a condition that seemed hopeless. For months he had stood by help-  
less, watching one operation in his fac-  
tory slowing up his whole production,  
wasting time and money and most of  
all, valuable raw material, because it  
had to be performed by slow, inaccu-  
rate hand labor. No machine had ever  
been built to do this particular job.

¶ Then he saw one of our advertise-  
ments. A few days later he was in the  
office of our chief engineer with the  
advertisement in his hands and a mul-  
titude of questions on his lips. Could  
we design and build a machine that  
would enable him to cut down his  
excessive spoilage, speed the process,  
help him to stay ahead of competition?

**A  
MACHINE  
can do  
it!**

*Special*

# PRODUCTION MACHINES

*A Division of* PNEUMATIC SCALE CORPORATION, LIMITED

*For over thirty-five years Pneumatic Scale Corporation, Limited, has manufactured auto-  
matic labor-saving machinery for many of the world's largest producers of merchandise.*

¶ Just a month later our chief  
engineer submitted detail  
drawings of the machine that  
this manufacturer needed but  
could not buy. It is now being  
built and will pay for itself in a  
short time through the savings  
it will effect in his production.

¶ This is an instance of but one of the  
many ways Special Production Ma-  
chines, Inc. is helping manufacturers  
to make bigger profits through better  
production. In some plants we have  
speeded up existing machinery to new  
production records. In others we have  
made semi-automatic machinery com-  
pletely automatic. Our work includes  
the solution of *any* problem pertain-  
ing to production.

¶ May we send you a booklet giving  
complete details of our service and  
method of operation. Address your  
letter to Special Production Machines,  
Inc., Norfolk Downs, Massachusetts.





# SOUND CONSTRUCTION IS SOUND SECURITY

**A** RISING security market adds nothing to the value of commercial and industrial buildings; nor does a falling market jeopardize their worth.

Wisely planned, soundly constructed buildings constitute assets whose value can be relied upon. Sound construction is sound security.

For permanent buildings, Structural Clay Tile offers a safe-investment factor which deserves thoughtful consideration. It is

man-made rock—from a union of plastic clay and searing flame—with convenience, flexibility and economy added to Nature's permanence.

Use it for floors, walls and partitions; for face work, back-up and furring; for fire-proofing. If you are not familiar with this versatile product and its many uses, the Structural Clay Tile Association will be glad to serve you. Its staff of engineers is at your disposal without obligation.

## STRUCTURAL CLAY TILE ASSOCIATION

*Formerly Hollow Building Tile Association*

1414 ENGINEERING BUILDING, CHICAGO, ILL.



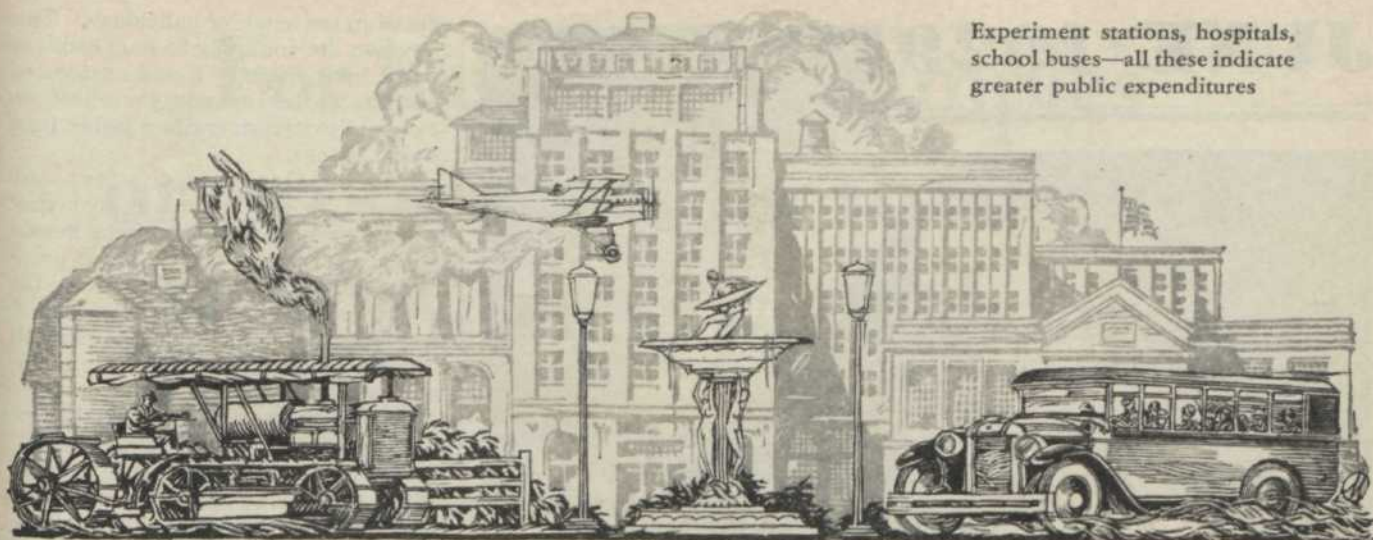
FOR INDUSTRY



FOR BUILDINGS







Experiment stations, hospitals, school buses—all these indicate greater public expenditures

# How Wrong Taxes Hurt Banks

By THORNTON COOKE

President, Columbia National Bank, Kansas City, Mo.

Decorations by Don Millar

**T**HERE were 3,890 bank failures in the United States from 1921 to 1927. Inexperience was trying to meet the problems of deflation without sufficient capital, without enough accumulated surplus for a buffer; and an uncertain, but probably appreciable number of these banks owed their insufficiency of capital and surplus to excessive taxation.

Let us see how such taxation came about. Until 1923, all states were still taxing banks on their capital, surplus and profits, as represented by their shares. Most states taxed, and still tax, bank shares at the same rates as farm lands, city lots and buildings. Indeed the tax is actually more in the case of banks, for while the rate is usually the same the basis of assessment is generally higher. Many a country bank, therefore, and many a city bank, too, has for years paid the tax collector three per cent of all its capital, surplus and undivided profits.

## The Fad of Bank Organization

**B**ANKING was highly profitable during and immediately after the World War, at least it seemed profitable at the time. The organization of banks became a craze. It was easy for almost anybody, in country town or large city, to get enough stock subscribed for a new bank.

The profits of banking come mainly from the deposits, and with capital subjected to two or three per cent annual taxes, sometimes more, there was every incentive to hold the capital down in order that the shares actually issued should be more valuable. And after the banks were established heavy taxation discouraged the accumulation of surplus, because it seemed wise to young bank officers to pay out most of their profits in

dividends instead of building up surplus to be taxed.

When credit in 1919 and 1920 became so strained that merchants had to sell their goods and farmers their grain and livestock at far less than cost, every bank had losses. It doesn't take much of a loss to impair dangerously the position of a bank capitalized at \$10,000 or \$25,000, or in the cities, \$200,000. Many bankers tried to cover up their early losses because they were afraid to assess their stockholders; and when a banker begins to conceal the actual situation from directors and examiners one trouble breeds another.

By and by one bank, two banks, a thousand banks, were caught with all their capital and surplus gone, and had to put signs on their doors that the banks were in the hands of the state banking department or of the controller of the currency.

Of course nobody can ever tell how many of these 3,890 failures would have been avoided if bank shares had been taxed on some other plan. The states had by taxation penalized bankers for providing adequate capital, and again for

accumulating surplus. While nobody knows how many banks would have had adequate capital under different tax laws, many practical bankers are convinced that the system of taxing banks on capital and surplus has been a contributing cause, and sometimes the chief cause, of many of these failures.

Many banks that did not close became too weak to do much for their communities. And it is just here that business men become interested in bank taxation, even if they are not bankers themselves. A tax system that minimizes the protection of bank depositors is intolerable—and in the last five years four states have found a plan that avoids this evil.

To understand the sequence of events that produced this plan, we have to go back to the days of the Civil War. The National Bank Act was passed in 1863, largely to provide a sound currency. The Act gave no permission to the states to tax national banks at all. In 1864 it did give permission to tax national bank shares, but to make sure that no local jealousies or misapplied theories of states' rights should tear down the system Congress imposed the condition that the tax rate on national bank shares must not be greater than that imposed upon moneyed



The mill is no longer a tiny affair owned by the miller himself



# JUNE + 1929



## IN TORONTO

Perhaps you've seen its looming walls . . . largest hotel in the British Empire . . . over 1000 rooms with bath. Canadian Pacific is building it. Canadian Pacific will staff it, run it, and install the renowned Canadian Pacific cuisine. The whole second floor set aside for conventions . . . auditorium seating 4070, with great Casavant Organ and deep stage . . . banquet room for 2720 . . . special convention lounge, conference and radio rooms. Conventions now booking.

# ROYAL YORK

CANADIAN



PACIFIC

When writing to ROYAL YORK HOTEL please mention Nation's Business

capital in the hands of individuals. This provision did not apply to state banks of course, but practically it was a safeguard for them too, because no state is likely to tax banks of its own creation higher than national banks.

Why did Congress say, "tax the shares"? Simply because at that time nobody knew much about raising money by taxation except by levying upon property in proportion to its value. Now, the general property tax does well enough in the pioneer days of a region. Almost all wealth is then tangible—real estate, buildings and livestock—and a tax on these things falls upon the citizens pretty well in proportion to their ability to pay.

By and by, however, economic progress creates wealth in many forms, and after a generation there are men of large means who own relatively little tangible property. The flour mill, for instance, is no longer a small water power affair owned by the miller himself, but a structure costing a million dollars to build and equip, much of the million furnished by hundreds of people who have bought its bonds or stock.

Securities are easy to hide, and are hidden if we try to tax them like real estate. Many states, therefore, beginning with Pennsylvania in the 'seventies, broadened their tax base, and, to reach more of the citizens who were able to pay, began to tax bonds and other forms of credit at 2.5, three, four or five mills on the dollar, these rates being much lower than those imposed upon tangible property.

Now, economically, bank shares are classed as intangible property. They merely represent other things. But as objects of taxation they are very tangible indeed, because the banks make public reports several times a year and the assessor knows to a cent the amount of capital, surplus and undivided profits which the shares represent.

### The Issue Reaches a Decision

FROM time to time one bank or another went into court because other forms of property were taxed less than bank shares. In 1921 the Supreme Court of the United States held, in a Virginia case, that shares of national banks could not be taxed at a higher rate than those used in taxing investments held by individuals, where those investments were of the same kind as the investments ordinarily made by banks and in sufficient volume to amount to competition.

Of course this decision caused a furor among tax commissioners of states that had tax systems like Virginia's. The commissioners had known the statute law, of course, but they had failed to appreciate that capital in the hands of individuals and private investment houses, note brokers and the like, could amount to competition with the banks. They saw their tax systems threatened.

They felt that it might be necessary to repeal their taxes on intangibles, and they knew that this would mean a serious loss of revenue, because you simply can't get a man to pay a two or three per cent



# For hand made samples or production by thousands this grainless wood board

*A business crisis. New models to build. Samples wanted yesterday and production costs skyrocketing. In just such emergencies industrial executives have turned to Masonite Presdwood, the easily worked, grainless wood board. In your business, too, it may be found profitable. May we send you samples with which to experiment?*



FOR KITCHEN  
CABINETS

In the changing times that demand new methods, for the new competition that requires new products, there is an ever growing industrial need for Masonite Presdwood—with the strength, the lightness, the extreme workability that only this grainless wood board can give.

Skilled mechanics in the tool room, foremen in charge of big punch presses, find nothing in Presdwood to dull keen tools or wear out dies before their time.

For Presdwood is just clean wood that is blown apart and then pressed together, under tons and tons of pressure.

Because Presdwood does not warp, crack, split or buckle, there are no costly rejections in final inspection. And because it comes in  $\frac{1}{8}$ th and  $\frac{3}{16}$ th inch thicknesses and in standard 4 foot by 12 foot boards, there is almost no waste to boost production costs.

## *Resists Moisture ~ Takes any Finish*

These grainless boards are smooth as glass on one side and textured like canvas on the other. The smooth hard surface with its delicate brown shading is naturally beautiful. The material resists moisture and requires no paint for protection. It can either be left in its natural state or

finished to represent the finest type of natural wood.

Presdwood is used in both building and industry. It lines panels apartments. It lines closets and elevator shafts. It makes smooth, light shelving and attractive partitions. It is the all 'round material for the inventor, the handy man, the home owner, as well as a product that is revolutionizing manufacturing methods.



FOR PUNCH PRESS  
OPERATIONS

## *From Toys to Motor Trucks*

It is used for kitchen cabinets, starch trays in candy factories, doll houses and toys, hydroplanes and outdoor signs, table and work bench tops and the sides of panel bodies on motor trucks. And wherever used, it fills a need that is exactly met by no other material.

It pays to keep up with new methods and products. And it pays to know just what Presdwood can do in any manufacturing situation and for any specific purpose.

Samples to use in experimental work will be sent promptly on request.

## MASONITE CORPORATION

Sales Offices: Dept. 712, 111 W. Washington St.  
Chicago, Illinois

FOR RADIO CABINETS



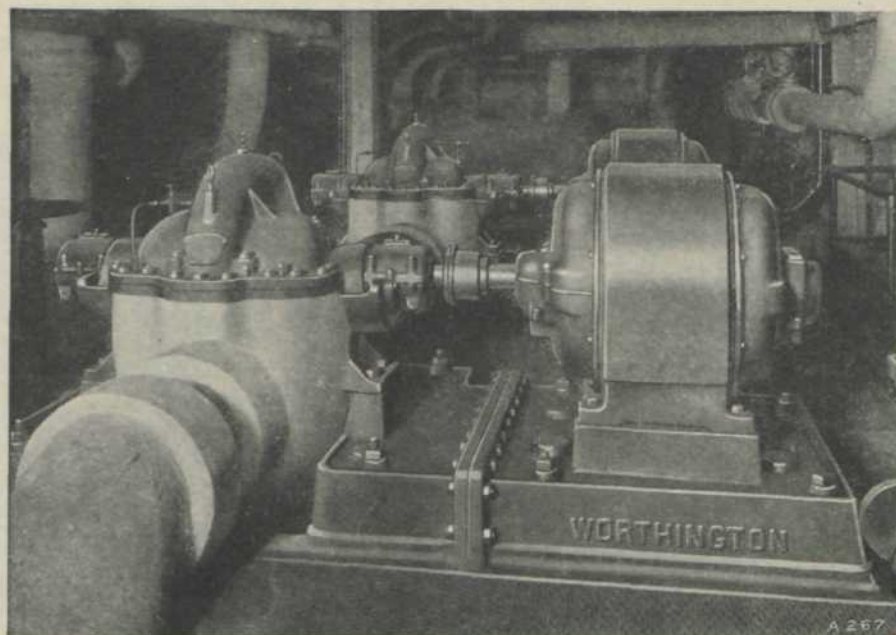
Mills: Laurel, Mississippi

**Masonite**  
**PRESWOOD**  
*Made by the makers of*  
**MASONITE STRUCTURAL INSULATION**  
REG. U.S. PAT. OFF.

FOR OUT DOOR SIGNS







Two 14-in. bottom suction horizontal discharge, centrifugal pumps, each with capacity of 5000 g. p. m. against 95 ft. t. d. h. with direct motor connections. Heating system installed by Sessions Engineering Company, Chicago.

## Centrifugal Pumps . . .

circulating water from condenser through heating system at the Packard Motor Car Company, Detroit, Michigan

**T**HESE two centrifugal pumps with multiple connection on both suction and discharge, pump the recirculating water from the condenser through the heating system and thence back to the condenser.

The heating system has a static head of 100 ft. and a friction loss under full flow of 95 ft. and the pumps when operating together deliver 10,000 g. p. m. The water handled by these pumps has a temperature which, in order to compensate for weather conditions, is sometimes as high as 200 degrees. This necessitates careful attention with respect to lubrication of pump bearings.

Satisfactory operation of this installation has resulted in orders for new equipment for similar service.

Full details of the installation will be supplied upon request.



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tax on a five or six per cent bond. If you catch him once he will own no bond on the next assessment day, at least none that any assessor can find.

The state tax commissioners took the matter up with Congress, where, in agreement with the banks, an amendment was passed giving states the option of taxing banks or bank shareholders on their income instead of their shares if the states preferred the income basis.

A further amendment in 1926 authorized the states to levy an excise upon national banks, that is a tax for the privilege of doing business, and to measure the privilege by the whole net income of the banks, including income which, as such, could not be taxed at all—interest on Liberty Bonds, for instance.

In New York the bank excise is equivalent to 4.5 per cent of net income, in Massachusetts to about 5.5 per cent. To a layman the distinction between an income tax and an excise tax measured by income appears like the distinction between Tweedledum and Tweedledee, but legally the distinction is very real. By using it Massachusetts and New York, since adopting the excise method in 1923 and 1926, respectively, have a broader base for the taxation of banks than if they levied an income tax pure and simple. The taxation of national banks legally cannot amount to a greater proportion of their incomes than the state takes from other corporations, although the method of taxation need not be the same.

### Experience Proves the Point

**W**ISCONSIN followed Massachusetts and New York with a bank income tax law in 1927, and California has recently adopted an amendment authorizing excise taxation of banks according to their income. It thus appears that it is possible to keep state taxation of banks in harmony with the alternative methods permitted by federal statute.

Litigation over the law of national bank taxation is pending, or has only recently been ended, in ten states, however. This is partly because the tax commissioners of many states are not content to take only so much of the income of banks as they take from other corporations. They want to get the greater amounts that they could get by *ad valorem* taxes on the shares.

Most of the controversies would not have arisen, however, if the fact had been realized that states, whose legislatures have the constitutional power to classify property for taxation at different rates, can tax banks according to income without amending their constitutions and without using the income basis for the taxation of other corporations.

Nor, probably, would a volunteer group called the Association of States on Bank Taxation be urging amendments upon Congress. We must always remember that this is a problem of bank efficiency and public financial safety more than a question of bankers' profits.

We must remember, too, that national banks are as much agents of the Govern-





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ment as ever, being the only compulsory and by far the most numerous class of members of the Federal Reserve System.

The volunteer Association has suggested, first, that Congress allow the states to tax national banks as highly as they please, if only they tax state banks as much. But that would permit the separate classification of banks as tax targets. The other suggestion of the group is that bank taxation be limited only to the rates imposed upon mercantile real estate. But it is the application of that very law, on the statute books of so many states, that has restricted bank capital and by such restriction has contributed to failures.

### A Chance to Recoup Needed

THE Wisconsin bank income tax law was passed following the state bank commissioner's statement to a joint committee of the legislature that some Wisconsin banks "ought to increase their capital stock for the benefit of the depositors, but the moment they raise the capital stock their taxes may be doubled. In other words, in order to make the depositor more safe they practically have to give their profits up entirely." The commissioner added that the Wisconsin banks needed a chance to earn enough to absorb some of the losses that had not been of their own making.

"Those first mortgages," he explained, "which we were brought up to consider the prime assets of any bank go begging; and the bank is in no position to write off these losses because their earnings are largely absorbed in taxes."

Here is official confirmation of the contention of the bankers that share taxes curtail bank capital. You can get more confirmation from almost any state banking department.

A certain far western state would like to have a number of its banks increase their capital, but the banks hesitate to do so in the face of *ad valorem* taxation of shares at the general property rates.

The last Michigan legislature passed a bill to require the banks to set aside more of their earnings to surplus, but the governor vetoed it on a showing by the banks that it would disastrously increase their taxes. Even in Minnesota, whose tax commission has been active in urging such amendments at Washington as would make possible the continuance of *ad valorem* bank taxation everywhere, the superintendent of banking has recommended to the governor the enactment of a bank excise measured by income.

One sympathizes with taxing authorities in their efforts to establish a broader base for state and local revenue systems. Taxes cannot in the aggregate come down, they will go up. It is true that Maryland, North Carolina, Pennsylvania and other commonwealths have accomplished important savings by the use of budgets and by reorganizing departments. The procedure should become general.

Such is the pressure, however, for more and more money to keep education and government abreast of modern life, that

in most states all we can hope from budget procedure is that it may postpone tax increases a few years. Swimming pools in our city schools, buses carrying children to consolidated schools in the country, agricultural experiment stations, parks, hospitals, museums, highways, street lighting and all the rest make it impossible to forecast anything but growth of expenditures for state and community requirements.

A century and a half ago, the French minister of finance, Colbert, said that the art of taxation consisted in plucking the goose with the least squawk. We are getting too much squawk now from two important classes, real estate owners and bankers. It is right to search out also bonds and notes whose owners could well afford to contribute to the common purse. But we must not, in doing that, impair our banking system.

The states that give preferential rates to intangibles can keep right on with that plan if they will tax their national banks according to income. If a few states should find it necessary first to amend their constitutions, they should do so, rather than ask Congress to remove the fair and reasonable condition that state and local taxation of banks must be on parity with that of other moneyed capital or other corporate income.

When states change to the income basis for bank taxation, should they take that basis for other taxpayers as well? It isn't necessary, but some experts agree that the basis should be made uniform. Others say that the corporation income tax would put the states that had it at a disadvantage in getting new industries.

### The Necessary Conclusions

IT may be true that the problem of bank taxation cannot be solved finally apart from the problem of taxation in general, but business men have a direct interest in the present controversy because of its relation to bank facilities and security.

These are the necessary conclusions:

The taxation of banks or bank shares on their value at the rates used for real estate or other tangible property discourages the provision of adequate bank capital and surplus. Weakness or disaster may result. If bank capital is to be taxed, Congress has done well to set other moneyed capital as the limit.

The states that are commendably seeking to reach certain intangible property for taxation are not hampered in this effort by the federal statute that controls national bank taxation, and, practically, state bank taxation, too. Without affecting the rest of their tax systems, they can switch banks to income or excise taxation; and that is no deterrent to adequate capital and growing surplus.

The bank tax amendments now pending in Congress would decrease the proportion of capital going into banking, and would enable the states to continue the old method that has contributed to bank weakness and failure.

The amendments should not pass.





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# Why I Am no Longer a Socialist

(Continued from page 31)

social. Far more important than the economic wastefulness which bureaucracy universally involves are the two great evils inseparable from it, namely, the subtle and extensive corruption of government and public service and the steady growth of arbitrary power and governmental oppression. These ills greatly outweigh the economic disadvantages, great as the latter are.

There has never been a comprehensive and thorough survey of the political and social influences of bureaucracy in the national and state governments, but there is abundant material to sustain the foregoing generalization.

### Group Interests Are Paramount

EVERY time a government bureau is established for any purpose there comes into being a group organization with special interests and purposes of its own, which special interests and purposes the organization places first in its loyalty and service. Above public welfare, and equally above the ideal of efficient service, the group interest is paramount.

The existence of the bureau depends in last analysis upon the legislative branch of the Government and upon the public opinion which the legislators respect. Unless the necessary appropriation is made, the bureau must be discontinued; if the appropriation is much reduced, its activities must be curtailed and either salaries or the number of employees must be reduced. The corporate influence of the bureau and the personal influence of each employe are exerted to prevent the occurrence of either of these ills. The bureau instinctively and inevitably becomes as much invested in the politics of its self-preservation as in the work for which it was created.

Not only so, but every bureau is constantly striving for expansion of its functions and powers, and, naturally, its staff and pay roll. To this end it devotes more and more of its energy to publicity, propaganda and politics. Nearly all the numerous bureaus of the national and state governments maintain publicity departments and press agents—not so designated, of course—through which they carry on a propaganda the extent of which is as little understood by the average citizen as its political results. It is time to halt the bureaucracy we have, instead of extending it by embracing the policy of public ownership.

It is well known to every thoughtful observer of conditions in Washington that in practically every department of the Government with the exception of the Department of State, which is an honorable exception to the rule, there are many more employes than would be required to do the work that is done if the standards of private employment prevailed. There are at least five em-

ployes doing what three might do without overwork.

Much the same condition prevails in most of the state capitals. The cost of superfluous and parasitic workers under bureaucracy is enormous, as every thoughtful observer of the workings of our Government knows. More serious than that, however, is the dangerous growth of arbitrary power. That is one of the most serious perils menacing our political system.

There is no man who is less than I am in danger of being so dazzled by the greatness of our industrial system and the brilliance of its achievements as to be blinded to its shortcomings. As fully aware of those shortcomings and failures as any man in America, and as keenly sympathetic toward every intelligent effort to remedy and overcome them, it is my deliberate judgment that, here in America at least, the industrial system and the economic order resulting from it constitute the best and soundest part of civilization. The greatest and most serious evils besetting the body politic and social are not economic in character, but social. They are not rooted in our industrialism, but in social usages, manners, ideals and institutions not determined by economic conditions in general or the industrial system as such.

Capitalist industrialism in America today does not need apologists or defenders. Instead of these it needs interpreters, trained and competent men with the vision and understanding to see present realities in their relation to the life of the past and the present.

### Industrialism Grows Better

THE fact is that our economic development has outrun the rest of the civilization of which it is part, notably our religion, our educational system and our politics. When the social philosopher views present day civilization with a vision unclouded by prejudice or passion, he sees that in our industrialism greater progress has been made in the direction of efficiency in the human results than in our politics, our ethics, our education, our religion, our social life in general. He discerns in the recent developments of industrialism and its economic corollaries a steady progress away from disorder, and from indifference to social consequences, as marked as the technical advance itself.

It is the simple truth to say that the gains resulting from the tremendous increase in productivity are diffused throughout society, that the advantages and opportunities derivable from our immense productive power are distributed more generally and widely than ever before in the whole history of mankind.

Here, then, is the basis of my present faith. From the romantic illusions of Socialism I turn to the living reality, to that force inhering in modern indus-



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Newspapers by Walter Seaton

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trialism which progressively lightens the burdens of the children of toil, enriches and ennobles their living and distributes opportunity and advantage with increasing equity and generosity.

The old vision of a socialized world, recreated, is as luminous as ever. The ideal of equality of economic opportunity and political right which inspired my youth still commands my loyalty and service. As strongly as ever, I believe that only through equality of economic opportunity and political right can we attain the highest development of individual and collective life.

## Social Ideal Is Coming

AS I look into the eyes of my son, and from his eyes to those of his son, I am conscious, not that their heritage is poorer and uglier than was mine and that before them lies the bloody travail of social revolt, but that their heritage is richer and fairer than mine and before them the way to the ideal social order lies open and inviting.

I no longer believe that the perfect organization of the economic life upon the basis of equal opportunity and equal right will end all the ills of mankind, any more than I believe that imperfections in our economic life can be held responsible for all the wrongs done by mankind, individually and collectively. Not every gain in the struggle for economic justice finds expression in a corresponding moral gain.

It is all too obvious and certain that the attainment of a perfect social state depends, not upon economic readjustment alone, but upon the deeper and profounder processes of moral regeneration. The minds and wills of the citizens as individuals must be socialized and brought into harmony with the moral law before there can be a perfect social life.

It is for this reason that, vastly important as I know economic and political reforms to be, I am no longer content to devote myself to movements aiming only at such reforms, but find myself turning, with new understanding and deepened faith to that larger conception of the social problem which perceives that economic well-being is not the solution, but only a part of it; that there can be no adequate solution of the problem unless and until the minds and wills and deeds of men are brought into conscious and willing subjection to the moral law.

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was not fulfilled to the letter as well as the spirit—never a Robbins & Myers promise to perform that wasn't kept to the dot. In flush times, R & M has been just as careful to preserve the same fair demeanor and always tried to be generous. These things, of course, are as they should be, yet Robbins & Myers' reputation for observing them probably is responsible for the solid friendship existing between us and our customers, new and old.

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Springfield, Ohio

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1878



1929



# Our Tonsorial Renaissance

By HARRY W. HUEY

**T**HE OLD German barber who spanked me when I was a youngster is the cause of this article. He didn't mind my chanting "Shave and a hair cut" to the swing of his limping gait as he walked along the street. What he objected to was my insistence on climbing the lordly striped pole in front of his emporium.

I have had a grudge against all barbers ever since and that is why I am writing about the 200,000 or more tonsorial artists scattered through every city, town, and hamlet in this fair land.

Accost any two-fisted male you meet on the street and ask him what he thinks of the modern barber shop. If he is not too excitable to remain decently articulate he will splutter something about "feminization," "mollycoddles," and "smelly foo-foo water." Yet it is estimated that this same red-blooded he-man, taken as the personification of American manhood, spends annually with touching fatuity \$750,000,000 for landscape gardening on that part of his anatomy above his neck.

## That Schoolboy Complexion

**T**HAT \$750,000,000 is, of course, split up in various ways. Our hero gives \$100,000,000 of it for that schoolboy complexion. He spends \$200,000,000 more for tonics to induce hair to grow, or to remain, on his head. A mere trifle of \$25,000,000 a year he doles out for singeing. The remainder of the total of \$750,000,000 the male of the American species spends for minor sundries in his program of beautification. Vanity, saith the preacher, is not confined to woman.

Do you remember the old-fashioned barber shop? On the wall was a rack with individual mugs and shaving brushes of every regular customer. Each mug was emblazoned with the owner's name in gold letters and the insignia of his particular trade, craft or profession. If a man had any doubts about his importance he had only to look at his own shaving mug nesting on the wall in the midst of its royal company and he knew he was as good as the next.

You addressed the proprietor and his helper, if he had one, by their first names, and they addressed you by yours. Democracy was a fact in the old-fashioned barber shop.

Most popular by far of all the literature that found its way into the barber shop of a decade or so ago, was the *Police Gazette*. While awaiting his turn, a man could beguile away the moments in close study of ladies in tights. Or, if he chose, he could engage in conversation with his neighbors. Not the

terse, stilted comment on the vagaries of the weather that passes now for the amenities of human intercourse, but the warm, friendly, and intimate conversation in which a man could unload his troubles and receive a sympathy that no mere woman can understand or give.

Now consider the sterilized operating room that passes for a barber shop today. A cold, impersonal clinic of white tile and polished nickel. A suave, dignified personage who got his training in the Court of St. James greets the customer with just the right degree of a smile and conducts him toward a chair. Another individual sneaks up behind and takes away hat, coat, umbrella, or any other article that might interfere with the impending operation. A pestiferous bootblack begins a pursuit race with the intruder and generally wins.

If the patient has to wait, he can improve his mind by studying needlework; since women began to haunt barber shops the literature has undergone a vast change.

Any conversation louder than a whisper is a breach of social etiquette. Let a man once raise his voice in the relation of some intimate detail about himself and there immediately arises one of those awful crises in the life of a great industry.

You gather by this time that the barber shops no longer have that comfortable, homey atmosphere of the past. A customer is no longer a customer and an old friend. He is simply a perambulating head; the rest of him doesn't matter.

When his turn comes, the customer is summoned to a chair by an individual garbed in a white coat. This individual

swiftly prepares the customer for the ordeal, omitting the delicacy, however, of providing him with an anesthetic. A towel is bound tightly around the throat with a deftness of a hangman adjusting a noose. Then the poor, luckless wight in the chair is in for it. He is badgered from shave to hair cut, from hair cut to shampoo, from shampoo to singe, from singe to massage, and from massage to hair tonic. What person can competently resist high-pressure salesmanship when he is clinging to a slippery chair by his shoulder blades?

## What Salesmanship Will Do

**B**EFORE he is given his freedom he is completely outfitted with a standard hair cut, standard shave, standard massage, standard everything. The influence of the barber is slowly providing American men with a standard head—a smooth, baby-pink face, docile eyes, and a wrinkleless forehead surmounted by shining hair. It's a perfect example of what salesmanship will do for a nation.

Nevertheless, barbering has declined from its high estate of several centuries ago. Barbers then pulled teeth, practiced elementary medicine, and trimmed beards. They got their start with the Egyptians, who, contrary to the customs of all other early peoples, did not hold the beard in high respect but began to lather and scrape their chins long before they began to build the pyramids. Philip of Macedon, likewise, was no respecter of beards. A master of military tactics, Philip noticed, according to Plutarch, that no matter how good a soldier might be in battle he became a stuffed shirt if an enemy grabbed him by his trailing Smith Brothers. That's why Philip called the barbers into Greece.

Before long, shaving passed from the stage of strictly military precaution and became a fad. In Athens the barber shops developed into the favorite loafing places of poets, philosophers, and statesmen. It is recorded that Plato held his discourses in the Academy and that Socrates buttonholed innocent bystanders in the market place, but it is just

as probable that they held forth also in the shop of some tonsorial artist. There an ambitious man could get the equivalent of a university education for the price of an occasional shave.

From Athens the barbers wandered



In the old-fashioned barber shop a man could unload his troubles



He became a stuffed shirt if an enemy grabbed him by his beard



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into Sicily, and thence to Rome. They were given a popular welcome, but the die-hard conservatives looked upon the growing practice of clearing away the facial underbrush as a sign of deterioration, which may have had in it the germ of another explanation for the decline and fall of the Roman Empire. During the imperial era, the barber was a person of importance. Frequently he was master of the baths, charged with supervision of a gang of slaves, some of whom had the duty of shaving and trimming and curling the hair of the gay Romans of that bacchanalian era.

### They Walked With Kings

DESPITE the glory that was showered upon them in ancient times, the barbers were really in their heyday about five centuries ago. They walked with kings and were a power in the state. Then surgery developed. Until the surgeons came along, the barbers were known as barber surgeons and had the right to practice elementary medicine and surgery. Somebody found the barbers out, however, and they were demoted. Nevertheless, relics of their historic glory are found in the brass basin that is hung out as a sign at the door of European barber shops and the striped pole which represents the bandage and blood incident to their early operations.

Now, haunted by the memory of their golden age, the barbers want to stage a come-back. Not long ago they held a convention in Baltimore and they made a discovery. They dusted off some old relics and discovered that barbering is a profession and not a trade. Lack of organization, they asserted, was the only



An individual garbed in a white coat calls the client to a chair

bar to their having the same standing as other professional men.

Organization, alas, will never alone give the barbers the recognition they crave. If they would elevate their calling they must forthwith institute a College of the Art and Applied Science of Chirotonomy. There are many schools for barbers, to be sure, but they touch only upon the rudiments of the craft, such as shaving and hair cutting.

Financing this proposed college would be a simple undertaking. Public subscription would raise the required funds within a few days merely by a broadcasting of the institution's high aims and noble purposes. Thousands of honest citizens would lock the family jewels and



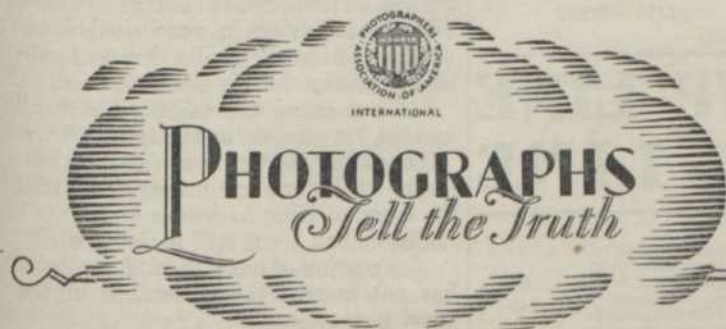


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mortgage the old homestead if they knew they could insure peace and contentment for the remaining hours of their lives they must spend in barber shops.

Under this scheme, control of the college would necessarily be vested in non-professional hands. Instruction in the higher art of barbering can best be directed by those who suffer from its present state.

Consider what studies a nonprofessional board of trustees would outline for the curriculum; the use of a towel, for instance. Now, a towel to you and me



He will splutter something about "feminization" and "mollycoddles"

is simply something to sop up excess moisture. But the barber is an imaginative fellow. To him that towel becomes a piece of sandpaper and the customer's face is transformed into a wooden Indian in need of scraping. When that towel is applied direct from a half-hour's boiling, the unfortunate occupant of the chair suffers exquisite tortures.

Why is a hot towel, anyway? No one seems to know precisely, least of all the average barber.

Psychologists have pondered over a habit of barbers which suffering humanity, long since despaired of curing, has attempted to pass off as a joke. It is the habit of talkativeness.

### Two Historic Occasions

DILIGENT research for documentary evidence, from the dawn of history to the present time, reveals that only on two recorded occasions has a barber been rebuked or penalized for his loquacity. One instance occurred last year in Perth Amboy, N. J. While shaving a transient customer, the barber boasted of how he had evaded the provisions of the state hunting law. Now, it happened that the customer was a game warden and on the charges he preferred the barber was fined \$40 for indulging in unsolicited confidences. The game warden deserved public recognition for his altruistic deed.

"If I've cured one talkative barber," he said, "it was worth the trouble."

The earlier instance is recorded by Plutarch. A barber was preparing to trim the beard of King Archelaus.

"How shall I cut it?" he inquired.

The passing of more than 20 centuries has not marred the perfections of the royal instructions.

"In silence," said the king.



## Who Gave Us Our Modern Wonders?

(Continued from page 38)

course every new capacity for beauty and joy brings with it the possibility of misuse and hence a new capacity for sorrow.

But it is our knowledge alone that makes us men instead of lizards, and we cannot go back whether we would or no. Our supreme, our godlike task, is to create greater beauty and fuller joy with every increased power rather than to turn our weeping eyes toward the past and fling ourselves madly, unreasoningly athwart the path of progress.

No, the only real question in a nation like ours is not whether science is good for us materially, intellectually, aesthetically, artistically. Of course it is, for science is simply knowledge and all knowledge helps. The only real question is how the forward march of pure science—and of applied science which necessarily follows upon its heels—can best be maintained and stimulated.

### Two Social Philosophies

**T**HE answer to that question will depend upon the nature of the individual's whole social philosophy. If he thinks that social progress is best brought about by a paternalistic regime of some kind, by throwing upon a few elected or hereditary officials the whole responsibility for social initiative of all kinds, then he will say, "Let the Government do it all; let it establish state universities and state research laboratories and state experimental projects of all kinds as it has done in most countries in Europe and let the whole responsibility for our scientific progress lie in these institutions."

But if he believes with the original makers of our nation in the widest possible distribution of social responsibility, in the widespread stimulation of constructive effort, in the nearest possible approach to equality of opportunity, both for rising to wealth and position and for sharing in community service, if he believes with the President-elect that government should only step in where private enterprise fails, that it should act only as a stimulant to private initiative and a check to private greed, then he will join in the movement to keep alive the spirit of science all over this land.

This will be accomplished through keeping pure science going strong in universities, its logical home, and applied science going strong in the private industrial laboratories where it thrives best.

No country ever had such an opportunity as ours, such widespread stimulation of individual initiative, such a large number of citizens who have learned to treat financial power as a public trust, such resources to command, such results to anticipate.

With our American ideals American industry cannot fail, I think, to realize this opportunity, and to support and keep in the finest possible condition, "the hen which lays its golden egg."

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NATION'S BUSINESS  
WASHINGTON, D. C.

# What's Wrong With Conventions?

(Continued from page 33)

one or two persons, but only a few minutes to thinking what they will say to several hundred persons.

The ideal plan for an untrained man to follow is to sit down with a trained writer, or speaker, work out a skeleton, have it cast into smooth form, and then learn to discuss it offhand. Memorizing it is a mistake. Few can do it. But all can get the high points, and, possibly with the aid of a card, talk them. Even if a speaker must read his piece, he always can have it well prepared. He always can get a trained man to help him.

## Originality or Nothing

LET'S emphasize the point about using original illustrations or stories in talking. Any story found in print is old. If it hadn't been, we would not have seen it in print. No matter if the paper in which we see it came off the press only this morning, someone in the audience will have seen it, and, more than likely, half of the audience. Even if the paper printing the story is new, the yarn probably is not. There are not five really new stories annually.

If you don't know any original stories, or illustrations, don't use any. But, you probably do. If you will just sit down and think over some of the odd experiences of your life, you doubtless will find that there are many wise, amusing and apt incidents which you can use to illustrate points you desire to make.

Most persons read addresses as the easy way out. They believe anyone can read. The fact is, mighty few persons can. If you don't believe that, revert again to attracting the attention of a child. Almost anyone can hold a child's attention so long as he speaks to it. But let nine persons out of ten try to read something to a child and they fail. The child soon is asleep, or far, far away. And, remember, adults hate to hear things read even worse than children.

## They Deliver Addresses Badly

THE average man in reading an address delivers it right down his shirt studs into his vest and there it sticks. How can any man read a manuscript of from thirty minutes to an hour in length and not realize that he is murdering his audience by inches?

I have observed many crowds under the influence of a read speech and they all react about the same. Unless the address is exceptional, those in the rear of the hall sneak out, those in the center keep looking about for the nearest exit and hoping for a fire, and those down in front slump despondently and appear to need pulmotor service.

It may not be entirely fair, however, to criticize speakers for reading long drooling papers. Putting up with this sort of abuse has not only become com-

mon, but presiding officers at conventions condone it. They let speakers slough through interminable morasses of words and, when they have finished, invariably smile and say:

"We are deeply indebted to Mr. Goofus for his very interesting paper on making two clothes pins grow where only one clothes pin grew before."

Everyone who has been observing the presiding officer nervously fingering the handle of his gavel knows that he has been tempted to knock the speaker in the head. Why he has not done it often is beyond explanation.

If an arrangement could be made for a period of thirty days to have one tiresome speaker gaveled in every state of the Union and the facts carried by the press associations with the same graphic details that would accompany an axe murder item, the standard of public addresses undoubtedly would be raised immeasurably.

True, it would be hard on the victim, but who can think of sacrifices in any worthier cause?

For fear that there may be those who would oppose such homicidal action, I would suggest that speakers at least be cut off at the end of an allotted time, preferably by a large gong. Here and there you do find a presiding officer who has nerve enough to stop speakers while the audience still is conscious but they are rare.

## Shorter and Better Speeches

PERSONALLY, I should do away with all speeches of more than ten minutes and have fewer and better ones. My idea of an ideal convention, and I firmly believe it is the idea of most of those who attend conventions, is to have as many persons speak as possible.

Several years ago, in Washington, I ran a banquet and instead of having two or three speakers harangue the crowd for half an hour each, I let everyone present make a one minute speech. It was a glorious success, and I became convinced then that the way to make people enjoy any gathering is to give all of them an opportunity to be heard.

This brings up the question of how you are going to induce delegates to speak. The inquiry is made at every preliminary meeting planning a convention. Some one always says that there should be more discussion from the floor. Then three or four other members of the committee declare that that would be a fine thing but that it is impossible to get discussion. With that the matter is dropped.

The fact is it is possible to get discussion from the floor if we will start the ball rolling just as wise political managers do in their conventions. That is to plant a few speakers in different parts of the hall with definite instructions as to what they shall say and when they





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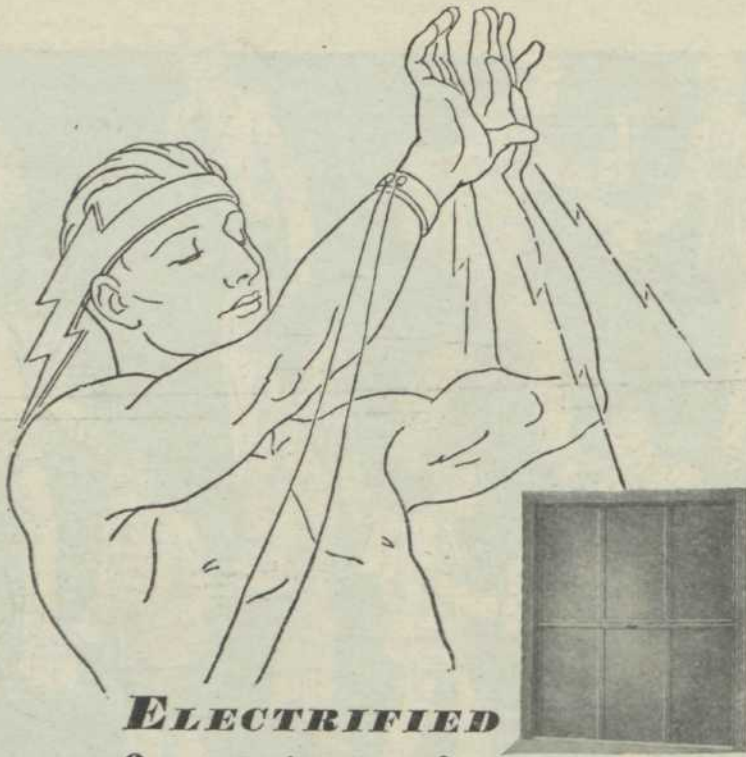


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shall say it. Of course if we wait for volunteers to get up and speak in a large assembly, we seldom will get it.

Reference to the manner in which political conventions are run reminds me that these meetings usually are the best planned on earth. Spontaneous action is practically unknown in them. Every move and every word is carefully rehearsed beforehand in most national conventions. Except in a few cases, such as at the Chicago convention in 1920 when an Oregon delegate upset the apple cart by nominating Calvin Coolidge for Vice President, the shows have been carried out just as planned.

The scenes of "tremendous excitement" which are recorded in the newspapers during national political conventions make experienced political writers smile.

They usually can tell before the convention meets just about when to expect the so-called "excitement." But because, political conventions are well planned, they usually are interesting.

When convention secretaries have cleaned up the deadwood in their programs, they might well turn to banquet reforms. Revision of the menu should be the first step.

With due regard to the chefs of our modern hotels and the quality of the food they serve, I don't believe there have been two new ideas in banquet menus in the last fifteen years. I say fifteen years because up to 1913 it was customary to serve a piece of bluefish prior to the entree and now filet of sole is being served. In the interest of accuracy, I wish to point out this one improvement. However, there is room for so much other improvement that I cannot fail to give the master mind that conceived this great change the credit that is due him.

### Standardized Banquets

WHEN I speak on this subject it is from the heart, or the stomach as you will. For I am a victim of banquets with few peers. On one occasion, as a political writer, I toured the United States for four months starting at San Diego, Calif., and winding up in Bangor, Maine, with the gloomy duty *en route* of attending a banquet almost every night.

In that whole stretch the menu, which then was on a bluefish basis, varied only once. In Indianapolis, owing to the early arrival of our train, the chef served every guest with a nice piece of tenderloin steak. There was no fish, no breast of chicken, no lettuce and grapefruit salad and no Neapolitan ice cream.

With tears in his eyes, the chef came out personally to apologize for his poor meal and was somewhat overwhelmed when the candidate, who had eaten every scrap of the steak, threw his arms about the chef and hailed him as a deliverer from bondage.

Recalling the merriment that used to abound at the old beefsteak dinners, I often have wondered why banquets could not be gotten up on a beefsteak basis. Surely a steak could not engender more



gloom among banqueters than does the regulation banquet meal now served from coast to coast.

Now that women are attending conventions in larger numbers, a little attention also might be paid to better entertainment for the women. Somewhere in the United States there is someone who can think of something for the women to do besides taking a sightseeing tour around the convention city and playing bridge. Two of my women friends now are in hospitals suffering from sightseers' breakdown owing to having accompanied their husbands to three or more conventions last year. This paragraph is inserted at their request.

### Too Much Heavy Reading

I ALSO desire to insert a paragraph at the request of the Amalgamated Chambermaids Association of the United States. They wish me to suggest that convention officials cease to hand out all speeches in full and other booklets in excess of forty pounds during any one session. They say that the burden of carrying this junk from hotel rooms, where it is invariably left, is almost too much for them and unless relief is afforded their organization must take official action.

This complaint reached me before the last convention with which I was associated. My organization, ever desirous of serving, evolved a scheme for meeting the complaint and at the same time giving delegates the benefit of the addresses which worked out satisfactorily.

Instead of handing out the complete texts of speeches delivered at the convention, we carefully summarized all of them, and put them into a booklet of some twenty-four pages, six by nine inches in size for distribution after the close of the convention. We found we were able to summarize every speech in an introduction of less than one hundred words, and then put the most important excerpts from each speech in from fifty to four hundred words. We got the meat of the convention, which lasted a week, and embraced some thirty speeches, in from six to eight thousand words.

Now let us summarize our ideas for making conventions more interesting and valuable:

Book only speakers who know the subject in which delegates are interested.

Compel speakers to prepare their talks well in advance, after consultation with convention officials.

Prohibit the reading of papers in so far as possible.

Limit speakers to twenty minutes and stop them at the end of that time.

Try feeding delegates instead of banqueting them.

Get as many different individuals to participate in your programs as possible.

Find something new for the women to do.

Summarize your high points in a brief booklet and deliver it to the delegate at home so he may get a cross section of your convention in the cool of the evening when his feet are not tired.



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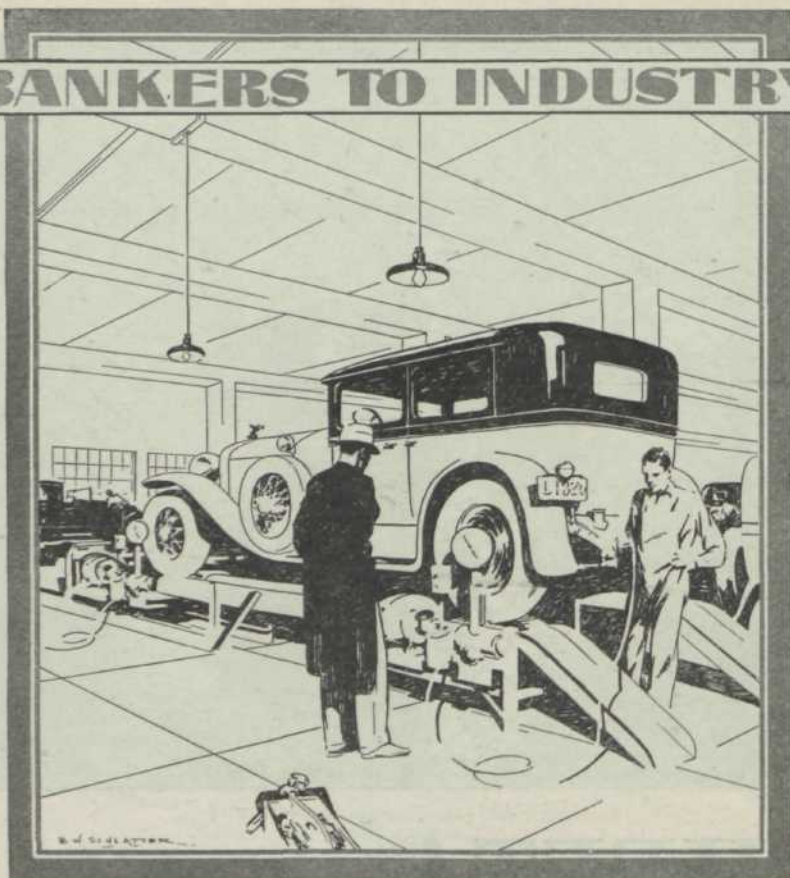
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# What the World of Finance Talks Of

By MERRYLE STANLEY RUKEYSER

**T**HE center of interest in the drama of contemporary American life is about to shift temporarily from Wall Street to Washington.

Wall Street has become thoroughly comfortable in the thought of having Herbert Hoover in the White House. The stock prices since the election except for the February recession indicate the confidence of the financial public.

As a matter of fact, the prenominations reports that Wall Street was cool toward Mr. Hoover were without much basis in fact. It is true that the Street's first choice would have been President Coolidge, if he had chosen to run again. Coolidge runs more to *laissez faire* doctrines than Hoover, and big business likes to be left alone.

The prevailing notion is that the Government will be less passive under Hoover. Instead of standing by and letting business move forward under its own steam, Mr. Hoover is likely to seek to exert positive leadership. He will encourage self-government of industries through trade associations and similar volunteer bodies, but undoubtedly he will desire to play an active part in quickening economic trends.

He will move in the direction of rationalization of business—to use a phrase that has gained currency abroad.

With the scientific spirit of an engineer, Mr. Hoover aims to make business reasonable, efficient, and socially useful to an increasing degree, instead of letting it drift along traditional lines.

Mr. Hoover's leadership should mean, in strictly business terms, a higher rate of profit for the efficient producers and distributors. The symbol of Hooverism in the White House is likely to make even more fashionable the drive against economic waste, which keeps every one poorer.

**A**MATEURS are likely to draw unwarranted conclusions concerning Wall Street's attitude toward Hoover by the action of the stock market around March 4. The market's strength or weakness will depend on accidental transient factors, rather than the Street's appraisal of the financial significance of the inauguration of the new President.

Although the stock market ignores seasons and other fixed guides, prices have been reactionary in February or March each year since 1923 with the exception

of 1927. The stock market entered the hazardous mid-winter season this year with average prices at unprecedented peaks, with brokers' loans at new high levels, and with the ratio between earnings of corporations and the prices of their shares at fantastic records.

Accordingly, the prudent, remembering the shakeouts in February, June, and early December of last year, undertook to scan their speculative holdings carefully in an attempt to avoid an overextended position. The cautious traders limited their commitments to lines which they felt sure they could take care of during intermediate reactions that might occur.

the beginning of a downturn in the long term period of prosperity.

Apart from high security prices and strained credit conditions, there seems to be no indication that the type of prosperity which the country has been having is near an end.

**N**EARLY half of the funds available for brokers' loans come from non-banking sources—the so-called bootleg or outlaw loans. Such funds are furnished by corporations with large surpluses, investment trusts, trustees, wealthy individuals, and foreign agencies. To some degree, the funds represent investable capital which the owners are withholding from permanent investment in the hope of more favorable buying opportunities at a later date.

In general, in the last year, those who thus deferred investment have been wrong so far. It would have been more profitable, hindsight reveals, to have bought selected stocks than to have taken advantage of high interest rates on call loans. On the other hand, those companies that regard such call loans as an alternative to bank deposits have received three times as high a return as they would have received from the banks.

Bankers regard the competition from these outlaw sources as unsound. The superficial and cynical will retort, "Naturally, they resent any effort to horn in on their profits."

But there is more than selfishness to the banking opposition. There is a vague sense of insecurity in this new form of irresponsible lending by those who function without government supervision and without reserves. Such balances, experience revealed last December, are subject to hasty withdrawal, and then the local banks in an emergency are called upon to supply additional funds lest the money market drift into temporary catastrophe. Thus, the bootleg lending is always a potential call on bank reserves.



UNDERWOOD AND UNDERWOOD

**SENATOR-ELECT** Phillips Lee Goldsborough, of Maryland, has a record of accomplishment in business. For 13 years he has been president of the National Union Bank of Maryland and now, with the \$85,000,000 merger of that bank and the Baltimore Trust Co., he becomes the chairman of the new firm's board

**I**N the prolonged long term upward swing of the last six or seven years, drastic intermediate reactions have invariably proved excellent opportunities for buying standard stocks which were showing an upward trend in earnings. Doubtless, similar interludes in the near term future will recur, but in each specific situation the individual security buyer will have to decide whether a break is intermediate or

**M**ONTHS ago, the New York banks sought through a change in the rules of the New York Clearing House Association to limit these outside loans, but they have expanded since last September even more than previously, despite the penalties imposed. The Federal Reserve Bank of New York, though owned by the member banks, is actuated primarily by a conception of the public interest, rather



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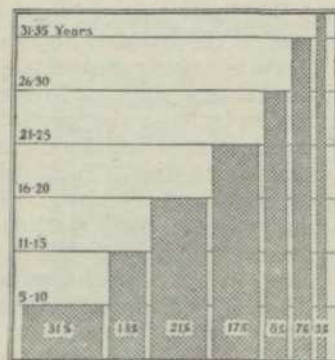
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than by the profit making motives. Its protest against loans for others must therefore be looked upon as somewhat disinterested.

In gently seeking to put the brand of outlaw on nonbanking companies making call loans, the Federal Reserve Bank of New York, in its last monthly review, said:

This year-end experience demonstrates that these loans "for account of others" are subject to rapid and large withdrawals by lenders whose relationship to the money market is very different from that of the banks which used to provide most of the funds loaned on call. The large size of these loans at the present time is due to unusual conditions, including unusually large holdings of surplus funds by corporations and individuals built up in part, at least, by huge issues of new securities in recent years.

But, primarily, rates for money in the call market which are abnormally high relative both to other rates in this country and to rates abroad have induced individuals and domestic corporations, as well as foreign banks, having surplus funds, to place their funds on call in the New York market rather than employ them elsewhere.

These conditions are subject to change. The experience of the year-end shows that the market may be subjected to sudden and substantial withdrawals of funds by individual lenders who have no general responsibility toward the money market and who must have a primary concern for their own particular business. In such instances the borrowers of these funds must turn to banks for accommodation usually at times when the banks are under the greatest pressure for funds. To the extent that these loans by others may be taken over by banks they become a charge against the country's basic bank reserves, which have been diminished through gold exports during the period of heaviest increase in these loans.

It may be further noted that in making these loans corporations and individuals are in effect engaging in a banking function which, to many of them at least, is outside the field of their previous experience and outside the scope of their principal operations. Because of this aspect of the matter and because of the general considerations previously mentioned, it is the policy of a number of large well-managed corporations not to make call loans.

THE so-called bootleg loan fund, more than \$2,500,000,000, constitutes in part the stakes for a colossal bet between those who expect a rising level of security prices, on the one hand, and those who believe that the present level of security prices is unwarrantably high, on the other.

Brokers, as borrowers, feel a new sense of confidence resulting from the additional sources of loans. They feel that in a sense they are funding their requirements, and to that extent relieving themselves from complete dependence on banks. They are virtually in a position of selling notes to investors, and thus substituting capital for bank credit.

LEST the Federal Reserve take a provincial view of its responsibilities, Montagu Norman, governor of the Bank



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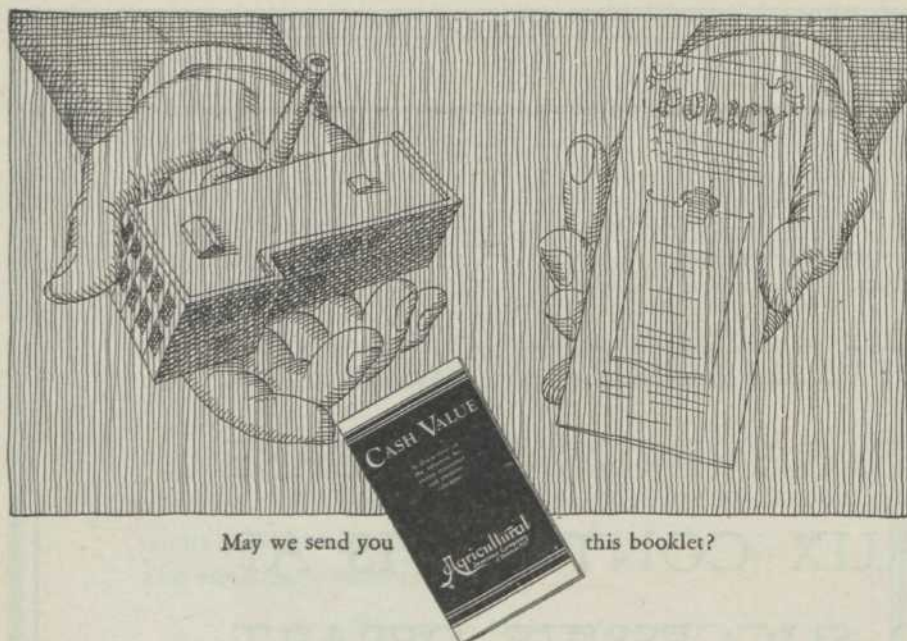


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Cash value is simply sound economic value—how much a going business is worth to a community or to the country. The cost of replacing damaged property is one factor in reaching true valuation. But there must also be considered such things as the condition of the industry—the future utility of the property—depreciation.

So it is significant that most policies today hold the insurance company liable "not beyond the actual cash value" of the property involved. This wording is an im-

portant protection to the honest business man so that he will not pay useless premiums for excessive insurance. It is likewise protection to the company—and to all people who would prevent waste and abolish fire hazards—against the unscrupulous who "hope to have a fire"...To know the fair cash value of your property is a serious matter. For upon that figure rests the amount of insurance you should carry—and in case of loss, the amount which the company should pay. As that valuation changes, your

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of England, has come over to these shores on a confidential mission. The ostensible reason for his visit is to make a courtesy call on George L. Harrison, the late Benjamin Strong's successor as governor of the Federal Reserve Bank of New York.

Thus, despite the passing of Mr. Strong, the new rapprochement among central banks is to continue, and will doubtless be a factor in injecting reason, instead of pure chance, into the calculations of central bankers, who influence gold movements and money rates.

The Bank of England, it seems, desires, to influence the Federal Reserve to hold down the rediscount rate. England is less apprehensive over the fact that higher rates in New York might attract free bank balances and hence gold to this center than over the fact that such further rises would probably tend to bring about a decline of commodity prices here and further deflation in England. English economists are inclined to believe that England has had too much deflation already.

ANOTHER complicating riddle is the tendency of both France and Germany to increase their holdings of the available monetary gold. Old-fashioned economists are concerned over this, but the new-style economists assert that the way to meet the situation is to smother such countries in gold, giving them all they want. Holding gold in the vaults of the Bank of France, for example, is far less profitable than keeping gold balances in London and New York. For the gold balances are invested in high-grade, interest-bearing paper, whereas gold in the vaults becomes a nonearning asset.

Economically, such accretions to the central bank reserves are unnecessary, but there is doubtless a political motive behind them. The European countries believe that the increasing gold hoards psychologically add to national prestige, and stamp the countries as first-rate economic powers, rather than secondary ones.

France now has about one-eighth of the world's supply of monetary gold, and probably is not yet through accumulating. It will probably continue to take on gold until it expands its notes outstanding against gold to 70 milliards of francs. The figure recently stood at 63 milliards of francs.

When one country radically changes its ratio of total gold holdings, it tends to upset the value of gold as a standard of value. France's recent policy has tended to raise the value of gold. It has thus far caused no real hardship, because America had much more than it needed and was in position to export freely.

THE economic aspects of marriage will be radically altered in the Empire State if the proposed reforms in the New York Law of Property, which have been recommended by a special commission, are adopted by the legislature.

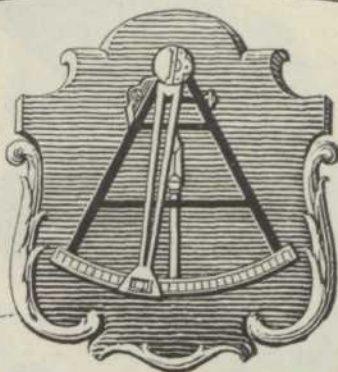
Incidentally, the changes would carry over into the field of economics the new political status of women, which came



(Fourth of a series  
outlining the essentials  
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## Check up Your Investment Position at Regular Intervals

THE mariner who sets sail in a seaworthy craft, knowing where he is going and with reliable charts to guide him, nevertheless makes a periodic check-up of his position to make sure he keeps to his course. The investor, however sound his present holdings and his investment plan, likewise needs to analyze his position periodically.

Circumstances and needs change from year to year. Age, dependents, and income vary—and all have a bearing on the way a man's money should be invested.

Outside the individual's sphere of activity, changes are constantly occurring which affect him. Business conditions fluctuate. Interest rates rise and fall. New enterprises, new inventions develop and cause a change in living standards—a shifting of positions in industry. Accordingly, changes in investment holdings may be advisable—even necessary.

It may be months, perhaps years, before revision is advisable in any particular case. The important thing to be assured of is that holdings are reviewed regularly to determine if change is needed. The frequency of the review depends upon the investor's present holdings, the state of the business or industry on which they are dependent. For most investors, once a year is considered reasonable.

Such a review is not difficult for the investor. He need only utilize the services of a competent investment house. It should be experienced and unbiased. It should have a broad knowledge of general conditions and a specific knowledge of the investor's holdings and circumstances. By selecting a reliable investment house, and giving it your confidence, you make it simple to properly supervise your investments.

**T**his subject—along with other basic principles to guide investors—is more fully discussed in our booklet, "Essentials of a Sound Investment Policy." Write for booklet NF-39

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years ago with the granting of suffrage. New York is still settling estates under the law enacted in 1830 before the advent of railways, airplanes, telephones and bobbed hair. The commission, which has submitted its report, was appointed by former Gov. Alfred E. Smith. Surrogate James A. Foley is chairman of the commission. New York's legislation is always watched with interest and sometimes followed by other and smaller states.

THE so-called reform would scrap outworn ideas. It would break down the distinctions between real and personal property, and would cease to place women in a separate status. Under the dower right, the surviving wife has a one-third interest in the real estate of her husband but no claim on his stocks, bonds, and other personal property. Since the law was framed, wealth is held more frequently in the form of personal property than real property.

Moreover, husbands can defeat the dower provision by turning over title to the real estate to a corporation, which they own. Then the husband owns, not the real estate, but shares of stock in the holding company, which comes under the personal property law. Although the wife has a claim on her husband's real estate, the husband has none on his wife's holdings.

Sometimes real estate, which was bought out of the husband's savings, is held in the wife's name. Even so, if she dies without a will, he has no claim on the property, which is really his. It goes instead to parents, sisters or brothers, or even nieces and nephews of the deceased wife. Under the proposed changes, husbands and wives fare equally, and receive a larger share in the estate than other surviving relatives.

Although the proposed legal changes are radical in character, they may repel liberals somewhat by further checking the discretionary power of individuals. The surviving spouse, whether male or female, is entitled to one-third of the estate, and the remainder is divided among the children. If there are no children, the surviving spouse gets \$5,000 to \$10,000, plus one-half of the remainder of the estate. The other half goes to parents, or brothers and sisters, or nieces or nephews of the deceased who is without issue.

THOUGH the proposed revision will go far to equalize the rights of husbands, it may provoke criticism because these stipulated rights cannot be altered by contrary wills. If wills fail to make such provisions, the surviving spouse can upset the will and get the same share that he or she would have received if there were no will.

Thus, the freedom which a person now has in disposing of his property by will would be sharply curtailed, and disposition of an estate would be made more largely automatic.

Of course, the average person neglects to make a will. Out of 15 probate cases

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large enough to come before the surrogates in New York City, only six are cases in which wills have been made out. Nine are distributed in accordance with the present laws of distribution and descent.

**R**ETURNING from a brief interlude in Bermuda, I feel prepared to read the alluring winter travel advertisements for another year without the least fear of distraction.

**N**OW that the New York Stock Exchange is considering a 25 per cent increase in membership, the old adage that nothing stands still has been vindicated.

No increase in the membership of this conservative group of traders has been authorized since 1879.

**I**N this quixotic world, fallacy sometimes leads on to fortune. Consider the experience of the wives of three successful young Wall Street brokers. These men would periodically rejoice over their good fortune by entertaining their wives at dinner parties held at Pierre's on Park Avenue.

Under the plate of each wife, a \$100 bill would be placed.

Finally, with the propaganda spreading that everything would rise to \$1,000 a share, except Erie, which would go to \$500, the wives asked their spouses to give them securities instead of cash.

In a jovial spirit at the next dinner, each young husband presented his wife with a certificate for 100 shares of Alaska Juneau which was selected because it was then quoted at a lower price than any other New York Stock Exchange stock—at  $1\frac{3}{8}$  a share.

Within a year, the stock soared above 10. In a spirit of jest, the stock had been bought on the foolish assumption that that which is low-priced is cheap.

**T**HE fight of John D. Rockefeller, Jr., to oust Col. Robert W. Stewart from the Standard Oil Company of Indiana and the struggle between two factions for control in the Childs Company emphasize the importance of the franchise privilege which goes with common stock, of which the average investor becomes aware and uses only in exceptional circumstances.

If outsiders act at all in corporate elections, it is usually only as a rubber stamp to indorse the management.

The two existing major corporate rows serve to illustrate the desirability of retaining the franchise in shares. There was a tendency several years ago to disfranchise outside investors through the sale of common stock which lacked the voting privilege. One of the strongest voices raised against this new vogue was that of William Z. Ripley, economic sage of Harvard University, who said:

"The plan (of issuing nonvoting stock) bears every appearance of a bold and outrageous theft of the last tittle of responsibility for management from the actual



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"Isn't it the prettiest case ever known of having a cake and eating it too? . . . The fact remains that the power, even if rarely exercised, and then only under extreme provocation, was there; and every once in a blue moon some resolute individual or stockholder could rise in his place and organize a protective committee or dissenting group—and if nothing else happened, at least there was a thorough ventilation of what sometimes proved a musty or unsafe investment."

**D**ESTINY kept Eugene Morgan Stevens, president of the newly-formed Continental Illinois Bank & Trust Company of Chicago, the largest bank outside of New York, from attaining his boyhood ambition of becoming a banker until he was 46 years old. As a boy in the play room, he used to cut up sheets of paper and regard them as pieces of money. He would make believe he was a bank teller.

The early death of his father and the need of helping his mother and her four other children made it incumbent on Mr. Stevens to make a living where opportunity presented, irrespective of preferences.

Eleven years ago, however, after he had left the grain business and set up as a bond dealer in Minneapolis, he was invited by the late John J. Mitchell to join the Illinois Merchants Trust Company as vice president.

The pent energy of years helped him to advance rapidly in the field of his boyhood ambitions.

**T**HE wider diffusion of securities is a factor in building up confidence. As the number of capitalists is infinitely enlarged, it becomes politically unprofitable to indulge in corporation baiting.

As a part of this new era of good feeling toward legitimate business the vogue of punitive taxation is passing, and it will be popular to make tax reductions as rapidly as governmental finances permit. These thoughts are emphasized by William Fahnestock, veteran member of the New York Stock Exchange, who points out:

"Governments deluded themselves by saying they were helping the poor man by retarding the successful. Now a tremendous change has come over us—an awakening. Millions of persons of moderate means have become investors and are interested in the success of all our enterprises.

"This has been largely helped by the billion and a half dollars paid by the Government to our Liberty bond holders on September 15 last.

"The honest hope of the new security owners is that taxes are to be reduced in the near future. Why should they not be reduced? Is there any reason? If you take the trouble to talk with a member of Congress or a member of a State Legislature, you will see that a change has come over him."



## Labor Explores New Fields

(Continued from page 28)

companies increased. Estimated declines in agriculture, manufacturing, and railroad work represent net losses in numbers of employees; that is, they do not take account of the men who were displaced but have since been absorbed by other employers in the same industries.

Doubtless there has been much readjustment of this kind, as, for example, when a man was laid off from a steel mill and later found a job in some other manufacturing enterprise.

### New Jobs or No Jobs

**B**UT it is with the almost 2,000,000 (according to the Bureau of Foreign and Domestic Commerce estimates) who were not thus reabsorbed in their old types of occupations that we are now concerned. It is likely that some of these men, particularly the older ones, the partially disabled, and those relatively inefficient, have not been reemployed. They are permanently out of jobs. Many others may be temporarily idle in the process of transference to new occupations. Much of the abnormal unemployment about the end of 1927 was of this kind.

But there are many men who are engaged in entirely new fields of work. Here the estimates of the Bureau of Foreign and Domestic Commerce are again of service. According to these figures, the number of men employed in nonmanufacturing work connected with automobiles (repair men, chauffeurs, and the like) increased between 1920 and 1927 by 1,166,000. In the same period the radio industry (non-manufacturing) accounted for an increase of 125,000; employes of the motion picture business increased by 150,000; teachers and professors by 185,000; lawyers by 22,000; clergymen by 17,000; physicians, surgeons, and dentists by 30,000.

In the field of domestic and personal service other huge gains in employment are found. The employes of hotels, restaurants, and similar institutions increased by 525,000. The increase in the number of barbers, hairdressers, and manicurists is estimated at 169,000. Here we find tangible evidence of a large-scale shift of occupations—a change that is among the most significant developments marking the economic evolution now going on in the United States.

The question as to how much farther this movement will go may be left to those with ambitions to wear the mantles of economic prophets. Certainly we have not reached the limit of increased production obtainable through the introduction of scientific methods, improved machinery, and modernized plants. Neither have we reached the limit of domestic demands for comforts and luxuries, always provided purchasing power keeps pace with the output of commodities and services which the people are called upon to absorb.

It seems not unreasonable to suggest, at least tentatively and by way of a



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hypothesis, that the proportion of the population engaged in productive industry (or at least the proportion engaged in the production of things that used to be called necessities) may be expected to decline rather steadily for a number of years, and that conversely the number engaged in merchandising and in services of an auxiliary sort may be expected to increase.

Naturally the whole population will continue to be supported mainly by the wealth which productive industry creates. But to an increasing degree this support, as affecting large numbers of Americans, may be indirect—the kind of support, for example, that a man receives who runs a picture theater in a district populated by factory hands. It is entirely conceivable that in future years the workers in productive industry will be a body of men relatively small in proportion to the entire population of the country, highly paid, carefully trained, and rigidly selected for health, for intelligence, for efficiency, and for adaptability to the jobs in which they are to work.

### Luxuries Grow More Common

**I**F this comes about (and more of a start has already been made than the average observer suspects), the rest of the population will have to be supported in other ways.

It is reasonable to suppose that these other ways will continue to be found, as they have been in the last six years, mainly in supplying the comforts and luxuries desired by the American people and obtainable through the high productivity of industry and the high purchasing power of the masses.

It would be fantastic to suggest that we will ever reach a stage at which the industrial wage earner will be able to employ a tutor for his children, a private lawyer and physician, a valet for himself, and a beauty expert for his wife.

Nevertheless, the American people, composed largely of wage earners, already are employing (again referring to the estimates of the Bureau of Foreign and Domestic Commerce) about 1,000,000 teachers and professors; 145,000 lawyers; 230,000 doctors and dentists and 385,000 barbers, hairdressers, and manicurists. These are among the non-productive workers who are being supported mainly, if indirectly, out of the wealth created by industry. Their number, both absolutely and in relation to the number of productive employes, has been mounting rapidly. The number of young people who are spending their time in schools and colleges, instead of factories and on farms, has also made an enormous gain.

Whether at the same time there has been a permanent increase in the number of men who are unable to find any employment at all is a question upon which available information is scant and unreliable. So far as industry is concerned, especially large scale basic industry, there is no doubt that the re-

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quirements for employment are more rigid than ever before.

Management is finding itself forced by economic conditions to weed out inefficient workers. It is becoming increasingly difficult for the sub-standard individuals—whether their defects are the result of age, disability, or other circumstances—to secure new employment if for any reason they are dislodged from their old jobs. If these men ultimately are added to the ranks of the "unemployables," it will mean an additional drain upon the wealth which industry creates—for in this country it is not customary to let people starve.

The situation we have been describing is in fact not without its grave problems. In spite of all the predictions of economic cheer leaders, there is no assurance in economic theory or in economic history that the reabsorption of the workers displaced from productive industry will be either prompt, complete, or automatic. The readjustment process is difficult enough to call for the best efforts and the best thought of leaders in industry, in labor, and in government.

Stabilization of production, of employment, and of purchasing power is more vital than ever before in the history of the nation. Particularly is it important to avoid, so far as possible, severe recessions in business, since today large numbers of workers are dependent upon "luxury" occupations, which would suffer acutely in a period of hard times. Earning power of all classes, upon which purchasing capacity depends, needs to be maintained. Largely in the success of efforts along these lines lie the best hopes for an orderly and beneficial continuance of the labor transfer incident to the evolution of American industry.

### **Vital Part of Fruit**

IN "adopting and promulgating purchase specifications for commercial commodities purchased by the various departments and establishments of the United States Government," the Federal Specifications Board has laid down "master specifications" for fresh fruits. Complete as the Board's job may seem in indicating the requirements of color, firmness, maturity, soundness, flavor, and weight, it still leaves something to be desired.

If the Board is sincere in saying that it "would be glad to receive any comments or suggestions as to changes which may be thought to be desirable in the fruit specification," it will at once make a place for the mouth-watering quality. That is a matter of the first importance. And why hasn't the Board consulted Joel Chandler Harris and his "Uncle Remus"? For a ready measure of expectant taste it could cite that famous dialectic episode in which

"Brer Fox he lif' up he hans, he did, en holler: 'Oh, hush, Brer Terryin! You makes me dribble! Wharbouts dat Pim-mery Plum?'"

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## Can the Lone Retailer Survive?

(Continued from page 25)

improve our own practices. For instance, the drive for lower prices on the part of the retailer has induced many manufacturers to sell him direct. This leads the manufacturer into direct competition with his own distributors, and the result is disastrous.

Independent retailers in many lines must be convinced of the truth that they cannot exist without the wholesaler. Also they must be convinced that when the manufacturer and the retailer get together to skim the cream from the business, they are unfair to the wholesaler.

We know that unfairness eventually reacts on those who practice it, and it follows that unless the independent dealers buy all of their goods through wholesalers they cannot expect the wholesaler to improve his service and offer adequate supplies of goods.

### What Our Studies Show

LIKEWISE, our educational studies show that the time is coming when no manufacturer will be able to sell through the independent channel and, at the same time, sell the chain and mail-order houses at lower prices. The retailer is most certainly cutting his own throat commercially when he attempts to sell any manufacturer's product at a price that is higher than the price asked for the same product by mass merchandisers. It is necessary for the best retailers to check carefully and constantly all retail merchandising and assist in correcting this unfair and uneconomic practice. It is one of the most important factors in the survival of the independent retailer.

We have entered upon an era of fewer and better independent retailers, not through any choice of our own, but because of the operation of economic law. And in meeting the new condition there is one idea that must prevail as a guide throughout all successful distribution in the independent field. It is the plain fact that the manufacturer, the wholesaler and the retailer must combine their efforts to furnish complete and satisfactory distribution to the public.

### The Price of Survival

WE cannot operate individually and independently. The manufacturer cannot build his business merely by selling goods to the wholesaler and considering the transaction closed. The wholesaler cannot conduct his business satisfactorily and profitably by merely selling goods to the retailer. The interests of all three are common interests, and every party to distribution must realize that the principles on which his business operates extend throughout distribution, and are not limited to his own selfish affairs.

The manufacturer and the wholesaler cannot succeed if the independent retailer fails. We must all cooperate intelligently to survive.



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For thirty-six years, A. G. Becker & Co. have been closely associated with the financing of leading industries through the underwriting and distribution of stock and bond issues and through the purchase and sale of short-term notes and commercial paper.

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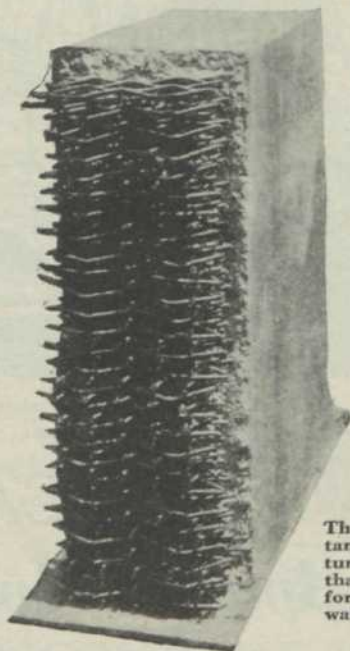
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## HUMAN NATURE IN BUSINESS



By FRED C. KELLY

\*\*\*\*\*

CHICAGO hotels have recognized crime conditions there by protecting guests, and by protecting themselves against guests, in ways not customary in hotels elsewhere. In one hotel I discovered that the door of each guest room has a little peek-hole arrangement through which the guest can look out into the hallway to see if a caller is friend or foe. Evidently the hotel assumes that there is no knowing when a guest may be in a state of siege.

On my bathroom wall in this same hotel, I found a notice addressed to the maid, listing just how many cakes of soap, towels and other portable items of equipment should be there. While posted ostensibly for the maid, I had grave suspicions that the real idea was to throw out a general hint to the guest that he is expected to leave just as many articles in the bathroom when he goes away as he found there.

This hotel will not let a porter or bell boy take a guest's hand baggage to or from his room—not even if the guest has been moved from one room to another—unless the guest is present. In other words, the hotel has found it to be unwise to trust their own employes too freely with a guest's baggage, because they may be accused of theft.

It used to be presumed that every hotel guest, as well as every employe and other person about a hotel, was decent. But those days, in Chicago at least, are not now.

SAMPLE trunks for traveling salesmen are gradually becoming extinct. The thousands of salesmen who do their traveling by automobile instead of by train found that sample trunks are a nuisance and dispensed with them.

Even the salesmen who still travel mainly by train then discovered that sample trunks were much less essential than they had believed.

A BIG merchandising concern in the Middle West pays its employes a weekly bonus whenever they have accomplished work beyond a certain requirement. But these bonuses are paid on a different day of the week than the regular wages.

The idea is that if two employes are seated side by side and one receives a



IN THE KANSAS CITY AREA

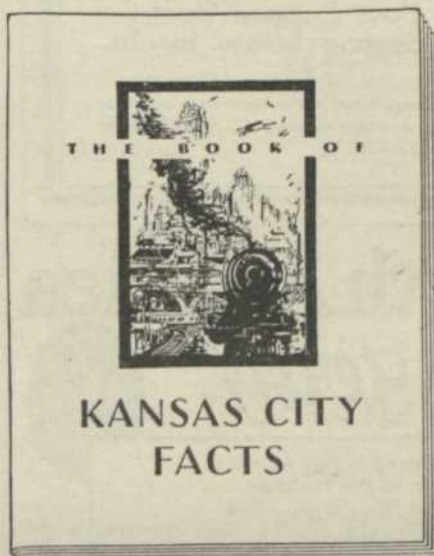
# A Book

## YOU SHOULD KNOW

**F**ACTS tell the story! Without embellishment, the facts about this Kansas City market of 21 million people . . . with a 10-billion-dollar annual income . . . are presented in "The Book of Kansas City Facts," just off the press.

**Market:** Here is a market of highly diversified requirements spending hundreds of millions of dollars every year for necessities and luxuries in distant markets that could much more economically be manufactured in and distributed from the Kansas City area.

**Transportation:** By rail, highway, air and water, Kansas City is the inland center of transportation, its facilities adequately meeting the needs of every section of the territory. More than 15 million people can be reached at lower freight cost from Kansas City than from any other metropolis.



manufacturers having plants in other cities.

**Raw Materials:** An amazingly diversified list of raw materials available in the territory is presented, including steel ingots, billets, sheets and wire, lumber, lead and zinc, grains, livestock and cotton, bauxite and other minerals and farm products.

**Fuel:** Coal, fuel oil and natural gas are available in plenty at reasonable cost.

These and many other advantages the Kansas City area offers to the manufacturer. "The Book of Kansas City Facts" explains them in detail, and may be had on request. In addition, any interested executive may have a confidentially submitted survey of the market for and production possibilities of any individual industry.



Chamber of Commerce of

*Not just a city  
but an empire*

Kansas City advertising does not confine itself to corporate limits. Within the territory are raw materials and manufacturing advantages of a highly diversified nature . . . many within the city itself, many in the smaller cities of this rich area. Kansas City undertakes to tell the story of the entire territory to interested manufacturers, realizing that the city prospers only as its outlying territory prospers.

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**W**E ARE now in a position to give one or two additional products splendid sales representation in the far west selling to the retail or jobbing trade.

Manufacturers of grocery, hardware, radio, electrical, household products or office appliances are invited to communicate.

We can furnish convincing references as to proven sales records and financial responsibility.

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The South's Supreme Hotel  
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little yellow envelope containing an extra reward the bonus is thus more noticeable, more emphasized, than if it came on payday, when everybody is receiving little yellow envelopes. The less energetic fellow who gets no bonus is forced to say to himself:

"I'm not as successful as my neighbor. I'd better brace up."

And he must do that very thing, because if he isn't capable of receiving at least an occasional bonus, he will be discharged.

**B**ARBER shops are open Sunday morning in Paris and are closed on Monday. I presume the reason is that nearly every body who needs trimming up has himself looked after before Sunday and there would not be much business for a barber on Monday even if he kept his shop open.

But why doesn't the same kind of reasoning apply in the United States?

**W**OMEN employes of Paris shops and offices have two hours off at noon. This is because French women have never learned to eat hurriedly and also like to devote part of their noon hour to shopping.

It would be difficult to keep contented women employes, especially as they receive small salaries—if it were not for the liberal time allowance they have for lunch.

"**W**E long ago discovered," a Chicago manufacturer tells me, "that it is unwise to place a well-educated man in a small job where experience rather than high intelligence is needed. He will soon become discontented and either quit or insist on a promotion. Then another man must be trained for his place."

"We find, for example, that Swedish janitors are best. They can't read English—the newly arrived ones can't, I mean—and therefore are willing to stick to a job where no education is necessary."

"**T**HE pocket-knife business has fallen off greatly in the last few years," says a hardware dealer. "Years ago every man carried a knife to sharpen his pencil. Now he carries a modern mechanical pencil that doesn't need sharpening."

"The mainstay of pocket-knife sales today are young boys."

**T**HIS same hardware dealer says that sales of shotguns and shells have fallen off because fewer boys now live on farms and consequently fewer go hunting.

**L**ARGER ax handles and larger shovel handles are sold in the South than in other parts of the country. A dealer in the South who stocked up with shovels or axes having only ordinary-sized handles would lose trade.

This is because most labor in the South is done by negroes and they have large hands. A negro laborer always insists on a thick handle.



## Cooperation Builds An Empire

(Continued from page 70)

of pumps were installed in 1919 and proved so successful that construction of others was pushed.

The result was complete control of the underground water table, and, incidentally, development of a considerable supply of pumped water, most of which has been used again for irrigation. The value of water so pumped and utilized exceeds the cost involved, so that what had been a liability was converted into an asset.

This drainage work involved expenditure of \$1,250,000. The major project works are equally conspicuous for their magnitude. Mormon Flat Dam was, when it was built in 1925, the largest dam of its type. The cost, with power plant and appurtenant development, was \$2,200,000. Horse Mesa Dam and construction associated with it cost \$5,000,000. This dam is 50 feet higher above stream bed than the famous Roosevelt Dam.

### They're Used to Superlatives

THERE are now operated some 1,500 miles of canals, laterals, and other ditches. Some of these canals are large enough to float a hundred-ton schooner. Thirty miles of these large canals have been lined with concrete—the biggest single canal-lining job in the world. The project pumping system for drainage and irrigation purposes has a maximum capacity of 800 cubic feet of water from underground per second, which would put Manhattan Island under water 30 feet deep in a year.

Salt River Project farmers are so accustomed to the idea of superlatives in connection with their project development and characteristics that anything less fails to impress them.

These Salt River Valley farmers are in business to make money. They have all the advantages that town men have, and country homes and good incomes besides, to say nothing of being their own bosses.

But farming there is no game for a very poor man. Anyone who tries to break in on a shoe string is not likely to have much luck.

If marketing conditions were as certain as production, it would be hard to estimate the value of Salt River Valley land. However, with a twelve-month growing season making possible two crops or more a season on the same land and the fact that growers have learned by experience to diversify their crops, Salt River Valley farmers can usually show a satisfactory balance sheet.

One crop is sure. That is the hydro-electric power revenue, which last year amounted to \$9 an acre gross. Of course the greater part of this is absorbed in paying capital investment charges. But a mere by-product which cannot only take care of capital investment but leave some surplus besides would be an unusual feature in any business.

## Memo from the President



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us cut costs. Investigate  
and report”**



**.. to the ..  
Plant Manager**

A manufacturer formerly used a cast iron base that weighed 64¼ pounds—YPS redesigned the part into pressed steel—weight reduced to 30 pounds—a 53% reduction—cost of the base was reduced well in excess of 30%. If you would like to know the cost-cutting possibilities of pressed steel applied to your own product—write us.

**THE YOUNGSTOWN PRESSED STEEL CO.**

**511 UNIVERSITY ROAD  
WARREN, OHIO**





# Keeping Our Railroads Solvent

By L. F. LOREE

*President, the Delaware & Hudson Company*

**I**T IS a very critical period through which the railroads are passing just now. In the old days freight tons moved and freight-ton miles doubled in volume about every ten years. Now, if we go back over the records for the last 15 years, we find that the increase during that period has been only 49 per cent. In other words, the increase for the last 15 years is less than half the increase once noted in ten years.



BLANK AND STOLLER, N. Y.

L. F. Loree

This must be due to a cause; in fact, to many causes. One of these undoubtedly is the conveyance of oil in pipe lines. When a new oil field is brought in, the location suddenly takes on the aspect of a circus lot just after the "big top" has been unloaded from the railroad cars. Trains stop on the main line, disgorge goods and machinery. Other trains bring in people and supplies and take out the oil.

Then the pipe line comes in and most of the railroad traffic ceases. The railroad loses not only the freight but its investment in the additional facilities it has provided.

## Marketing Change Hurts Railroads

**T**HE marketing situation has changed materially. In 1859, the Great Atlantic and Pacific Tea Company was formed. Last year this company alone did a \$700,000,000 business. This is half as much as that done by the United States Steel Company and more than that done by the General Electric.

Chain stores are getting 12 per cent of the retail business, department stores 16 per cent, mail-order houses four per cent and company and cooperatives 4.75 per cent. This leaves around 64 per cent to the independent retailers. It can be assumed that the retailer will continue to maintain about half this business, but the transportation has been reduced, for the chain stores receive car-load lots and deliver direct to distributors, largely by automobile.

This automobile competition is another cause underlying the present railroad freight situation. In the last 15 years, passenger automobiles have in-

creased more than 1,200 per cent and trucks more than 3,300 per cent.

In ten months of 1928, 13 of the largest livestock markets reported that more than 8,000,000 head of cattle had been delivered by automobile. This is one-third more than were delivered in this way in 1927. One-half of the passenger business in the last six years has, on some lines, been taken over by privately-owned automobiles and buses.

A very threatening diminution has come

about, as the result of a change in the rate structure. The railroads were in the beginning built up on a business practice. They undertook to charge for the value of the service which they rendered. Along came an arbitrary hand actuated by other considerations and, on a basis of distance hauled, dictated the charges to be made. If this is continued, we are all very likely to see a redistribution of industry.

Now, what can the railroads do to keep solvent? A great many of the roads were built for speculative purposes. Others were constructed to bring out minerals from mines which since may have become exhausted; to haul lumber from forests now cut, or to reach territories now no longer economically profitable to serve.

I venture to say that at least 30,000 miles of railroads exist today that have become an economic burden instead of an economic need.

I dismantled 12 miles of road two years ago after spending six months in getting permission to do so. Those 12 miles of road were of no economic use. We have been able to save money by getting rid of them. The community has not missed them. I want to take up 19 miles more but I can't get permission to do so. I shall try again later, for we cannot burden ourselves with uneconomical operations. If it were possible to take up the 30,000 miles of railroad I have mentioned it would be a great relief to the railroads.

There must be about a million buildings on the right of ways of the railroads. These require much repair work and painting. I believe that it would be proper to take down about 200,000 of them. We took down 20 buildings in our

Carbondale, Pa., shops and 51 at the shops in Oneonta, N. Y.

There are 90,000 railroad stations in the country. If we can get rid of 20,000 of them a great saving would be effected. When the railroads were first being built it was the practice to place stations at intervals of five miles. This was in the old days of horse-drawn vehicles and dirt roads, and was probably necessary. In 1898 I was general manager of the Pennsylvania Railroad and had on one line 310 stations which I carefully investigated. I found that 96 of them were running at a loss.

## Fewer but Better Stations

**T**HIS last year on the D. & H. we abandoned two stations and in between we put up one new and modern stone station. Our patrons are satisfied and we have reduced our expenses. That example can be multiplied many times.

Other changes have come about. I recall having in the shops some years ago an old-style lathe, used to turn the wheels. Five men were required to place a pair of drivers in the lathe, which then turned one wheel. After that it was necessary to reverse the drivers and turn the other wheel. It took 24 hours to do the job. A year ago we put in a new lathe in one of our shops. A small crane picks up the wheels, puts them on the lathe, both wheels are turned at the same time, a grinding device comes down and runs over the axle. The job takes 55 minutes.

Two years ago, in going over one of our shops which was modern in 1906, we found that it was economical to replace 80 per cent of the tools in order to bring the shop up to date.

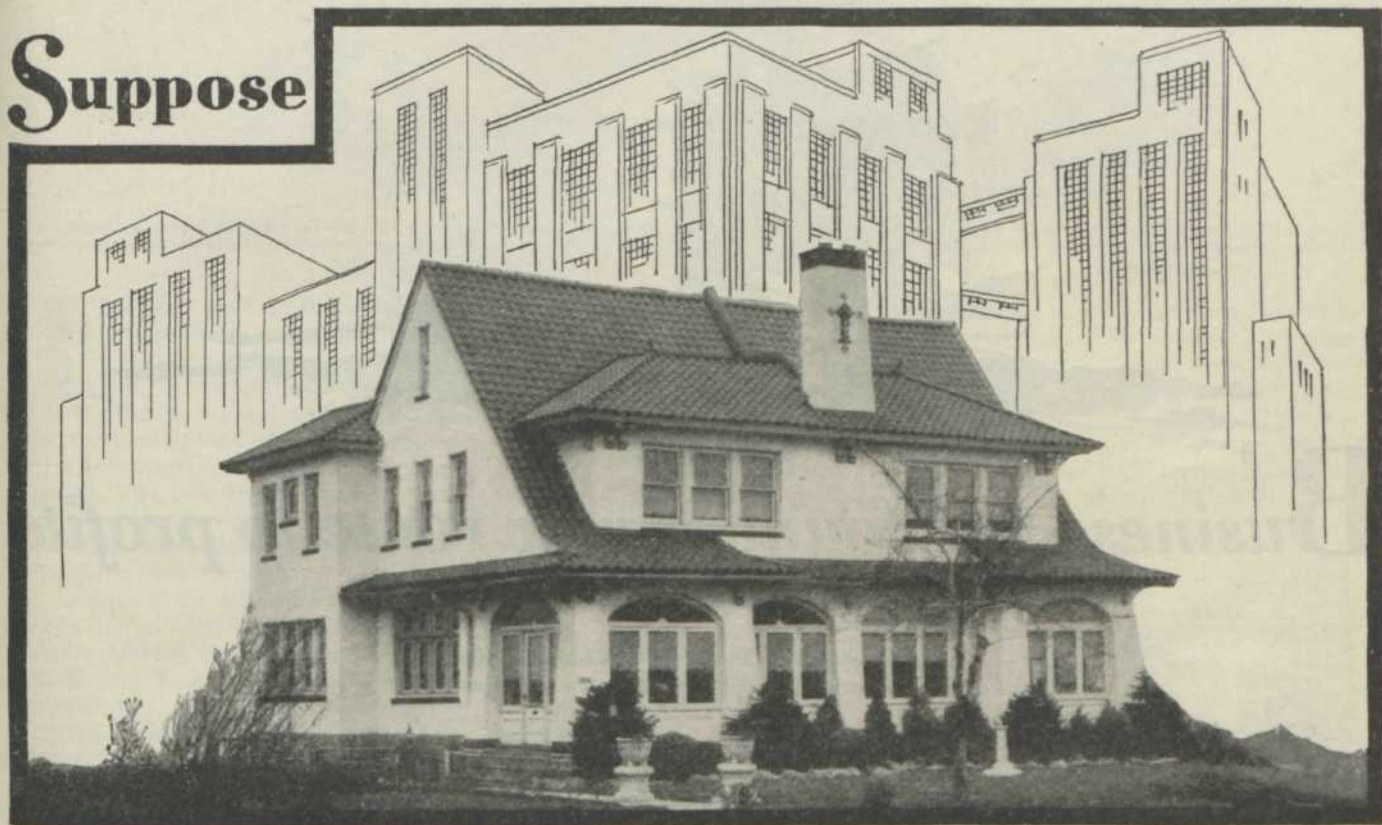
Another economy may be effected by remodeling locomotives. I took authority recently to spend \$39,000 upon a locomotive. By doing so, I obtained just as good a locomotive as if I had gone out into the market and bought a new one for \$80,000. We used to get four per cent efficiency from our coal. We are now getting seven per cent. We should be able to get 14 per cent.

These varied illustrations I have cited serve only to emphasize my point, that the railroads in the last hundred years have grown under great pressure and they have now reached that stage where, having been in service for a long time, they should be gone over and overhauled, like a ship that has been at sea and become covered with barnacles. The roads should be investigated with a view to seeing that they are serviceable. This is their surest way to continued solvency.



# You Painted Your Concrete Plant like This House!

## Suppose



"WE'VE made concrete factories as permanently attractive as these stucco houses," says a prominent paint manufacturer. "The application of white zinc pigment paints to industrial buildings, within and without, tremendously improves the working conditions and permanence of these structures. Concrete should be painted regularly, and a high quality zinc pigment paint is most serviceable. The excellent appearance of these homes, photographed over two years after painting, is a good example."

*Paints containing substantial proportions of the zinc pigments (zinc oxide and lithopone),*

*Over two years ago, these stucco homes on Northeast Boulevard, Philadelphia, Pa. were painted with a white paint based on The New Jersey Zinc Company's Zinc Oxide and Lithopone. These photographs taken recently show they are still in excellent condition.*

*combined with the proper oils and driers, will afford excellent protection, within and without, on concrete*

*or other type of factory structures. And they create an attractive, light and cheery working atmosphere.*

The New Jersey Zinc Company will gladly furnish you with information on these paints containing zinc oxide or lithopone, or both. Such paints are made by all reliable paint manufacturers. Simply clip the coupon and send it to us.

**The New Jersey Zinc Sales Co.**

160 Front Street



New York City



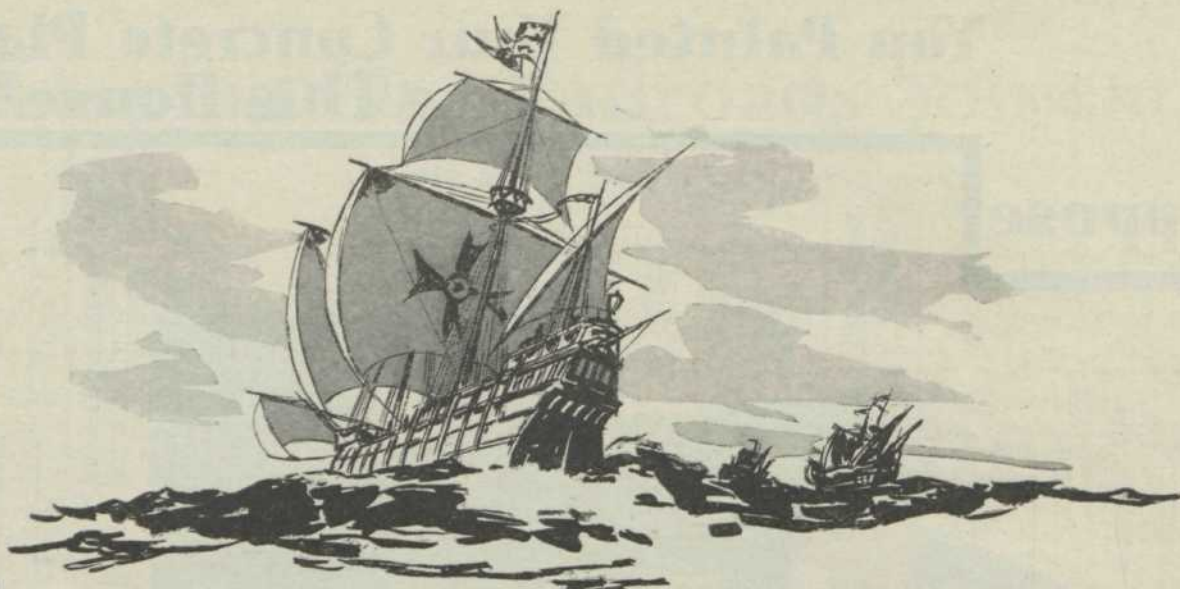
Please send me a booklet telling why better paint jobs are obtained with zinc pigment paints.

Name \_\_\_\_\_ Position \_\_\_\_\_

Company \_\_\_\_\_ Address \_\_\_\_\_

N. B. 3-29





# Business has found a new route to profits

*An editorial by*

W. C. Dunlap, Vice President in Charge of Sales,  
The American Multigraph Sales Company.

When dwindling profits block progress along established lines, business must do what Columbus did — find new paths to travel.

A new path to profit has already been opened up. A number of concerns are now using it successfully. It has been called "Selective Selling."

The old system of selling was the "leg-work" method — dividing markets geographically and covering them promiscuously with a high-pressure force of salesmen.

The new method analyzes markets, classifies them into good, better, best from one or several points of view, and then concentrates the bulk of its effort on the "preferred markets."

In our own business we have applied this new method and results have more than justified our expectations. Our net profit has increased; our salesmen are earning more money. Our business has im-

proved as to collections and good will among our customers.

In our own case we give this new principle of selling a major share of the credit for these developments. As one of the tools in applying this principle, however, we have developed a new type of Multigraph equipment which lends itself to the purposes of selective selling. It shortens the process of reaching specific markets, large or small, with personal information and sales effort. It enables you to control the efforts of a sales force more effectively and economically.

Our experience, and that of a number of customers, is especially interesting to executives now engaged in finding a solution to the "large-volume-small-profit" problem. I shall be glad of an opportunity to give you some of these details. Address your letter to W. C. Dunlap, 1806 E. 40th Street, Cleveland, Ohio.

**Do You Know  
Your Market?**

There is a new **MULTIGRAPH** for  
today's new selling conditions.



# THE PATTERN OF COMMERCE



As Seen by  
Raymond Willoughby



**E**VERY good lumberman knows that mighty oaks grow from little acorns, but not so quick is the perception that business will flourish on a sheaf of small orders—on the lumber needed for the thousands of roadside markets, filling stations, lunch stands, and rest rooms that fringe the great motor routes. So counsels J. W. Paddock, field representative of the Southern Pine Association.

As he views the sales possibilities: "Here is an opportunity for every retail lumber dealer located in or near a rural community to do some effective trade promotion work which will be directly reflected in his sales sheet. Every farm whose land adjoins an improved highway is a prospect for a wayside stand or small building from which he may sell his vegetables, fruits, canned goods, honey, melons and flowers."

For the lumber man the agricultural transition indicated spells an inviting addition to his own market. For the farmer's sales outlets it is equally amending. An industry that began when nations beat their swords into plowshares should find it easy to press the cash register into welcoming this later change.

**A**S our earliest exponents of the air mail, pigeons present no novelty in the carriage of messages for great distances. That there is a present opportunity to put their service on a business-like basis has been effectively shown by the Sperry Flour Company in the transmission of orders from its salesmen.



Lofts are maintained in nearly a score of cities near the western seaboard, and at Honolulu for inter-island communication and for use between ships and shore.

By reason of the company's pigeon post its salesmen can send orders from stores and shops beyond reach of the telegraph and telephone. Not only do the birds expedite the company's busi-

ness, they also serve in the public interest. They have brought aid to motorists stranded with engine trouble in a desolate stretch of desert, carried word of new family additions to relatives in distant places, brought greeting from one city to another on occasions of civic celebration and observance, and given the world its first news of some of the West's disasters—word of a bridge washed out, the breaking of a dam, or of storm damage that has isolated an entire community.

It is pertinent to ask why does a flour company maintain this sort of communication service, and the Sperry Company is ready with answer. "People cannot get along without flour," it says. "Nearly every one uses it every day," and in that belief "it is natural that a great flour milling company which prides itself particularly on the service it renders the dealer in the necessity of life should want to overlook nothing which would help him keep people supplied with flour, even under the most unusual conditions."

**I**NSPIRED measures of "the world's largest" are usual enough in our headlines, and to an age that abhors all static conditions they provide a daily assurance of material progress. Fleeting as may be the public notice of newer and larger business magnitudes that continually press for attention, eminences of one sort and another do not lack for the specification of their dimensions, as with the new shop to be built in London by the book house of W. and G. Foyle.

In the maze of statistics on building height, floor and shelf space, elevators, and special rooms, two innovations are discernible—the provision for an auction room, and a department to supply theaters and motion picture houses with complete libraries for stage properties.

The mail of this house, so it tells us, amounts to more than 4,000 letters a day. Sales average 35,000 volumes a week. In the "foreign" department are stacked 100,000 volumes, with a subdepartment for each language.

Fiction is represented with 100,000 books, and school books add 200,000 more. But neither item helps us to know the demand for business books. Perhaps they are lumped in with the school texts.

More impressive is the fact that this house opened shop twenty-five years ago with four books and no capital. In the first week only three customers appeared. Now, it is not uncommon to have ten thousand in a week. Reports about the state of the book trade are periodically pessimistic enough to argue a lack of



public interest, yet the expansion of the Foyle project is a proof that demand is active and profitably persistent.

The success of the Foyles is a business matter, of course. In a larger and very real sense it helps answer the question of what people are doing with their ever-increasing store of leisure.

**T**HERE is an apparent agreement on the priority of faces over houses and furniture, though the predilection of the Indian for gaudy pigments needs a bit of explanation in view of the belated realization that "save the surface and you save all." Possibly no new markets will be envisaged by the paint makers who read "Long Lance" by Chief Buffalo Child Long Lance. Even so, the chief gets directly at his racial love of color. "An Indian without paint!" he exclaims, and then confides, "We could not imagine that. They might as well tell us to stop singing." Paint, it seems, was the symbol of feeling and emotion, for he writes

We had a different kind of paint for every mood. . . . When we got up in the morning we painted our faces the way we felt. If we felt angry, peaceful, in love, religious, or whatever the mood was, we painted our faces accordingly, so that all who should come in contact with us would know how we felt at a glance. It saved a lot of useless talking. And when I was a youngster the Indians did not like to talk very much. They used to go about quietly and think a lot. We would sometimes sit in our tepees for hours at a time without saying a word, yet we all enjoyed ourselves. It was



# TORO



## Do You Take Pride in Your Lawn?

**W**HY spoil good turf with mowing methods that leave it uneven, streaked and ragged? You can have a lawn with that smooth, velvety appearance you admire—with TORO grass-cutting equipment. Whether you have an estate of many acres or only a city lot, there is a TORO Mower to meet your needs... efficiently and economically. Built up to rigid standards of material and workmanship, TORO Mowers are delivering trouble-free service everywhere.

**The Toro Park Special** is a 30-inch power mower with a cutting capacity of four to six acres a day. Powered with a TORO 1½ H. P. single cylinder air-cooled 4-cycle motor. Most economical for cutting large lawns unbroken by obstructions.

**The Toro Park Junior** is a 22-inch power mower with the same Toro motor as the Park Special 30-inch machine. For cutting around close places and doing a clean job once over, the Park Junior has no equal.

**The Silver Flash** is built like a watch, light running, light weight, clean cutting, a mechanical work of art and a wonderful mower to handle. It may be had with an 8-blade reel for use on creeping bent lawns.

Over 2600 country clubs depend on Toro Grass Cutting equipment for maintaining their fairways and putting greens. Ask the greenskeeper at your club about Toro Equipment.

Write today for illustrated catalog of TORO Equipment.

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Service Stations in all the larger distribution centers.

### Hand Mower



just our custom—and it made us feel good inside.

That was an artless simplicity by any standard, the perfection of inarticulate loafing approached only by the small-town genius who divided life into two vast static states—sometimes he would "set and think," but for the most part he "just set."

**A**FTER all, the go-doers probably bring home as much bacon as the go-getters.

**I**T may be that the greatest number of escalators under one roof is not a matter to disturb international accord, but it is significant to Americans that Selfridge's of London thought it worth while to correct Lord Ashfield in his assertion that the London Underground's station at Piccadilly Circus has the largest assembly of escalators in the world.

"The honor of having the greatest group of escalators in the world belongs to a retail distributing house—R. H. Macy and Company of New York," which "has no fewer than thirty-one separate escalator units."

Whether or not the fact of the matter is to be put down as a footnote on international amenities, the reason for bringing Macy's into consideration has an immediate importance for the business community. The correction is offered because "the great retail houses are among the most vital and progressive organizations in the world," and "if the test be the number of escalators they can claim first place."

Progress, as the world well knows, is not bound by national frontiers. Less familiar is the refreshing evidence—the sort provided by Selfridge's—that its recognition does not take its measure from local interest.

**I**T IS easy enough to excuse any deficiency of hospitality on the ground of unreasonable expectation, and perhaps the English will always see the American tourist as a disturbing guest. Words of complaint against the established order of things in England are harder to bear, it seems, because of the persistent belief that Canada and the United States are still frontier communities. This state of mind has place in the *Liverpool Courier*, for

Even today you hear old people telling young people that if they go to Canada or the United States they will have to rough it. When these young people return years later, eager to revisit their homes, they have wardrobe trunks crammed with silk pajamas, and before they have been ashore half an hour they complain of the cold. If they are anti-Prohibitionists, as most of the returned Prodigals seem to be, they set out to celebrate their liberation, and find that Prohibition is in full force in these islands for sixteen hours in the twenty-four.

They go to their hotels, ask for ice water and are given warm tap water. They are amazed to discover in some of the greatest

## FORE!!

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Business with  
T-BOOKS



**GOLF TEES** in patented container similar to book matches. Your advertising message attractively displayed on cover.

Every golfer must have tees.

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If you buy printing in large quantities... if you are interested in obtaining work of superior quality and excellence at a price as low, if not lower, than that usually asked for on ordinary work... it will pay you to investigate our **Offset Litho Group Plan** for forms, letterheads, package inserts, labels and direct mail advertising. Mass production enables us to produce the very finest color and black offset lithography at a cost lower than you would expect. Make us prove it. Send us your specifications today for estimate.

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hotels in London Victorian wash stands. They go out in the early evening to send telegrams to friends in English towns and learn, either that the postoffices are closed, or, if they are open, that a telegram sent in the early evening will not be delivered before next morning. They resort to cigarettes to soothe their shattered nerves, and find that the sale of cigarettes in the early evening is forbidden.

They tell themselves that London hotels are not the heart of England, and next day they make for the English country inns that they have heard and read about. They arrive at three in the afternoon and are told that lunch is over. They wait for dinner, not having formed the afternoon tea habit, and are given boiled mutton.

More modern, but less patient than Mark Twain's immortal gadabouts, these troubled Prodigals seek solace in thoughts of home—of that "Zenith, Ohio, with its all-night lunch rooms, drug stores, tobacco shops, telegraph offices, and tram cars." The ancient glories of a strange land are small recompense, they find, for all the ancient discomforts. "Babbitt", the *Courier* is sure, at last realizes that he is roughing it.

WHILE the breaking of records of large-scale production is an old American custom, as age goes in a young country, it is occasionally refreshing to dive under the tidal wave of current headlines and dredge up some of the statistical pearls left in the wake of war-time production. It is Alfred R. Grundel, sales manager of the Bucklin Corporation of Elkhart, Nebraska, who reminds us of the feat of F. W. Sutton in getting out a plane every fifteen minutes at the Wright plant in Dayton.

With the opportunity to go "back stage" with Mr. Grundel it seems of no moment to argue whether or not "few men today realize the task of building the airplane, to say nothing of one every fifteen minutes." "The important thing,"



as he explains, "is to bear in mind that each plane was built of no less than 35,330 parts." To Mr. Grundel's way of thinking,

The production of 80 per cent of the planes on the American battle front is accredited to Mr. Sutton. There has been no finer epic in the realm of scientific management. Each plane required 2,608 wood parts; 1,665 sheet metal parts; 20 forgings; 139 pieces of tubing; 78 castings; 5,335 bolts and machine screws; 1,589 nuts; 1,213 washers; 10,675 wood screws; 8,609 nails and tacks; 650 lengths of wire, 87 terminals, 750 small metal parts; 366 pieces of linen; 708 tie rods and cables; 12 bearings; 343 pieces of fiber, celluloid, leather and



*The Comptometer with a trained operator, safeguarded by the Controlled-Key, will turn out more work at less cost than any other combination*

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WITH the Comptometer, which has speed to spare, faster and better operators will reduce the cost of your figure work more than anything else.

Only through a dependable service of training and supplying such operators, can employers be assured of getting them when and where needed.

For a quarter of a century the Comptometer has been rendering this service through a world-wide system of day and night Comptometer schools. The system today comprises 151 schools—105 in the United States and Canada and 46 overseas.

Each school maintains a free employment service for the placing of graduate students and for the convenience of employers seeking trained operators.

In the year ending October 31, 1928, employers obtained from these schools in the United States and Canada alone, 25,977 operators. In the same period, approximately 22,000 more were instructed in customers' offices, making a grand total of nearly 48,000 clerks and operators trained by our organization in the year.

Ask any user of this service about the economy of the Comptometer with trained operators and the reliability of our service.

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# Where Lightness and Strength are Required use G.P. & F. Stampings

**P**RESENT day products must have beauty—must be finished attractively—must be light yet *strong*.

G. P. & F. engineers, experienced in designing in drawn, formed and stamped metal—have assisted hundreds of manufacturers in bringing out new products and the modernizing of old ones.

## 17-ACRE PLANT AND 49 YEARS EXPERIENCE

With the experience of turning out a million parts every week—we have interesting information concerning what we have done and are doing for hundreds of manufacturers. We have designed and made several million dollars worth of dies, this experience guaranteeing the correct tooling up for the job.

The completeness of our service is another factor. Parts are formed—welded together when required—and finished by galvanizing, tinning, lead coating, japanning, or vitreous enameling. Parts are completed ready for assembly.



This loud speaker case illustrates how easily decorative designs are produced with drawn or pressed metal. It is light in weight and beautifully finished at low cost.

Further examples are illustrated and described in detail in our booklet "Stampings," a copy of which we will be pleased to forward.



Gum Vending Machine Case produced by G. P. & F., finished in color "Porcelain-on-Steel."

**GEUDER, PAESCHKE & FREY CO.**

1371 St. Paul Ave., Milwaukee, Wis.

Sales Representatives in Principal Cities in All Parts of the Country

**G.P. & F. STAMPINGS**  
"KNOWING HOW SINCE '81"



rubber, as well as the Liberty motor, equipment, instruments and guns.

The precision of that recital should delight the exacting soul of the statistician. In a larger sense of accounting the figures raise a natural wonder about the end of the planes. The materialist will properly speculate on whether they are going from rust to rust. No matter. Fancy will not be earthbound. On its own wings it will rise to belief that the bones of our martial Pegasi are mingled with the star dust.

**W**ITH aviation now soundly established in the air, it is directly worth while to take more notice of its essential ground work—as the map makers are now doing in commendable detail. For one, the Rand McNally Company of Chicago is issuing "air trails" maps of the states in informative thoroughness. Of these charts, the company says that they permit a pilot to fly by compass or landmarks; they keep him informed as to the airports on his route; they give him magnetic courses for the established air routes, and furnish data for plotting other courses.

More understandable to the layman, perhaps, is the company's judgment that the maps will "eliminate guesses and uncertainty." In that brief summation of service is packed the maximum of attainable usefulness to pilot and passenger.

**S**INCE some of the air-mail routes have attained the ripe age of two years it seems reasonable enough for the pioneer pilots to swap yarns about old times in the service.

"Did we have a tough time?" asked Art Starbuck by way of making prelude to his emphatic answer "We did." And nothing less than an unabridged edition of hardship is equal to the opportunity offered in these words, "Write anything you can think of and it will be true."

To give the flavor of the details, this pioneer flyer on the coastwise route of the Pacific Air Transport tells us that back in 1926 he plied pick and shovel in



setting up his own beacon lights between San Francisco and Los Angeles.

"Grover Tyler and I did our own surveying, engineering, and labor," he explains. "We drove up and down the valley in a Ford, with our tools loaded in the back." For all the difference of time and circumstance there is something almost biblical in this plain tale of difficulties met and overcome. Starbuck and Tyler would know Noah for a kindred spirit.



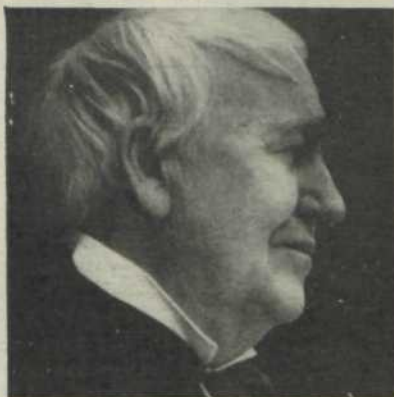
## Owen D. Young

Chairman of the Board  
General Electric Co.



## Thomas A. Edison

Chairman of the Board  
Thomas A. Edison, Inc.



## Edsel Ford

President and Treasurer  
Ford Motor Co.



THESE MEN will talk to you about the things that they know best. They will speak from the wealth of their own knowledge and out of the depth of their own experience.

Because their articles will interest you, may have an effect upon your own business, may be of tangible value to you, you will listen attentively to what they have to say . . . in the April NATION'S BUSINESS.

# NATION'S BUSINESS

## 5 MEN

. . . each a leader in his field . . . will talk to you out of the pages of the April NATION'S BUSINESS.

One is America's foremost inventor. Another stands at the head of a great industry, the son of Henry Ford. The third is an outstanding business leader, a trusted representative of the Government in affairs financial, chairman of the board of the General Electric. A United States Senator and a former chairman of the Federal Trade Commission complete this powerful quintet.

There will be thirty other articles, reviews and editorials in this issue that will give you a complete survey of the business news for the month.

## Edward N. Hurley

Former Chairman  
Federal Trade  
Commission  
War-time Chairman  
U. S. Shipping Board



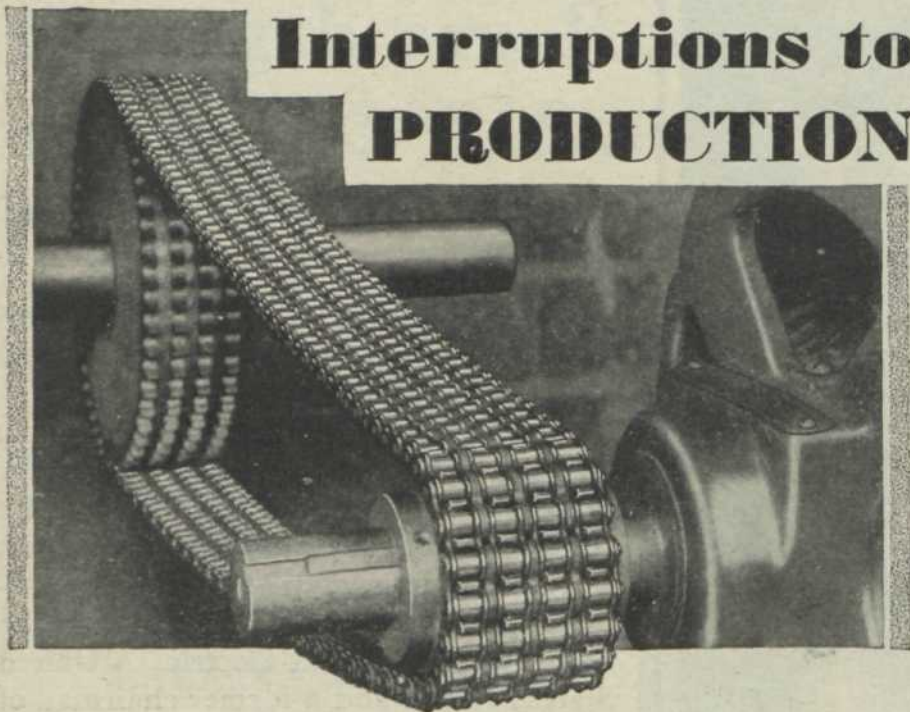
## James Couzens

U. S. Senator from  
Michigan





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Rolling at points of contact, this high speed chain is quiet, 98-99% efficient, and exceptionally low in maintenance expense. Made in single and multiple strand models . . . in a wide range of link sizes . . . there is a Diamond Chain for every drive . . . long or short centers, high ratios, at all speeds up to 3600 r. p. m.

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State.....

(8817)

When writing to DIAMOND CHAIN & MFG. Co. please mention Nation's Business

## There's no Need to Clog the Streets

(Continued from page 52)

highest, where the best hotels and shops are located, and where the people go.

This will happen to American cities if the existing business areas do not adequately relieve traffic congestion by broadening their thoroughfares. New cities will spring up around the edges of the old and these new sections will rapidly rise in value, to the profit of those who own that realty and to the enormous loss of those with great investments in the now valuable sections of the older communities.

Such moves are beneficial for population as traffic is thus decentralized and congestion is relieved. However, the development of these centers within a municipality means that transportation between them must be speeded up. The potential safe speed of our vehicles is nowhere being used, due to congestion and consequent danger. Speed limits must be removed so that the public can use motors to travel rapidly but safely. This can be brought about through proper street design and adequate width of right of ways and pavements.

In too many American cities it is now becoming possible to walk from one point to another more rapidly than one can drive. Thus the usefulness of motor vehicles is being lost through their multiplication and the lack of adequate facilities for their movement—a condition which is the more provoking because it can be remedied.

### A New Burden on our Streets

AIRPORTS will soon create further burdens for our street systems to carry. Air transportation is still in the stage where it excites much curiosity. On week-ends thousands of motorists line the flying fields and every exhibition is heavily attended by throngs of sight-seers.

Soon the problem will resolve itself into more serious details. Tons of freight will drop from the skies to be transported to every section of our cities. Passengers coming and going will require quick transportation to and from the ports. It is to the advantage of every city now to consider airports as a factor in city planning. Proper location of the ports in relation to existing facilities instead of by haphazard methods will eliminate expensive moves in the future.

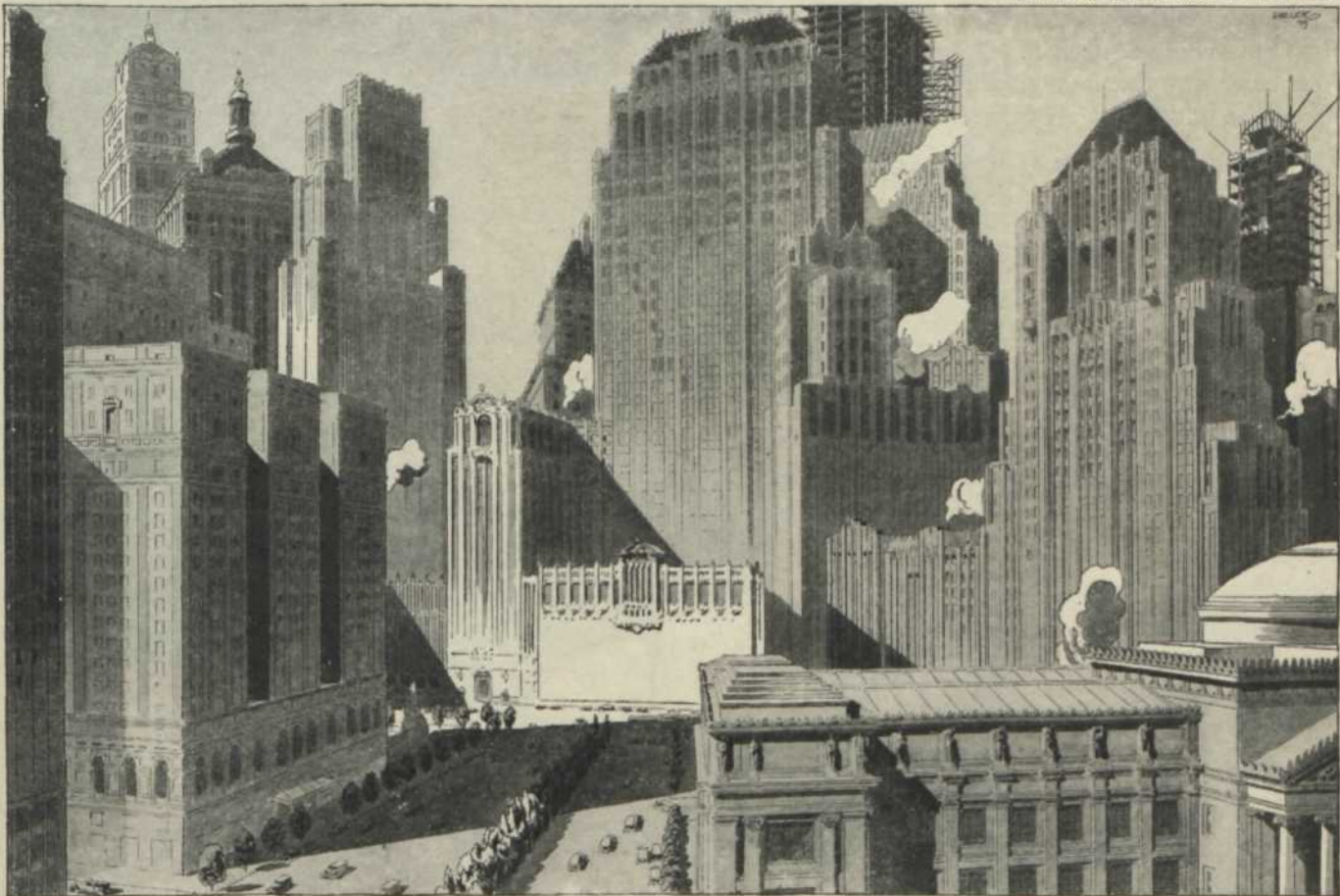
Traffic will continue to grow as American cities continue to grow. Every existing traffic relief agency has a great part to play in fighting congestion.

United effort at this time will rid our cities of the annoyance and economic loss which is the tribute exacted by our indifference to conditions which have been steadily growing worse and which soon will become intolerable. By combining every agency concerned in a national traffic campaign the congested conditions of our city streets can be greatly improved.



## SPEEDING THE WORLD'S WORK

DRAWN FOR WESTINGHOUSE BY C. P. HILCK



ALL OF THE BUILDINGS SHOWN HERE ARE WESTINGHOUSE EQUIPPED

## Electricity gives a building life

It has long been possible to build a towering structure. But not until electricity was developed to its present-day usefulness could buildings such as we have today be made *livable*. And many of the notable contributions which have aided architects and contractors in making the modern business building possible have come about through the work of Westinghouse engineers.

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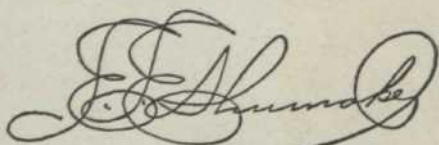


The Sign of a  
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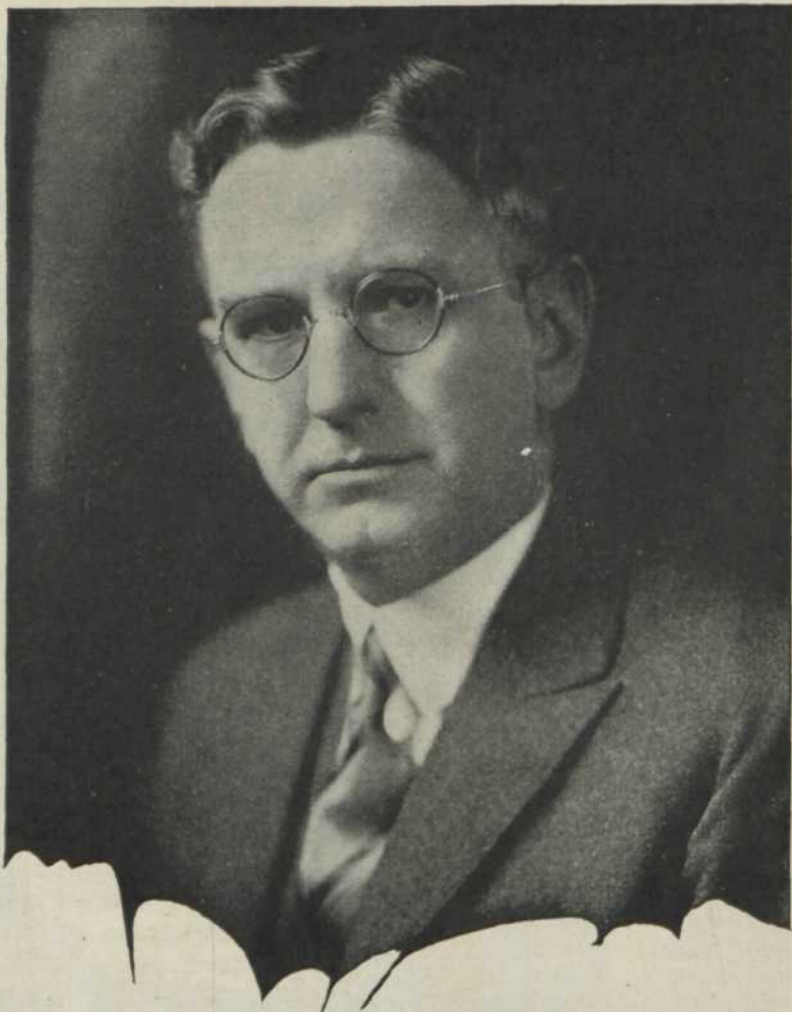
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# If England Had More Power

By EDWARD H. CLARK

*Vice President, Cerro de Pasco Copper Corporation*

**W**HEN the American business man goes abroad, it is difficult for him to avoid making comparisons of the industrial conditions in this or that foreign country with conditions in the United States. If, on returning, he gives voice to them, they are likely to become invidious.

It is not my intention to make comparisons here. I only propose to set forth briefly certain observations and impressions of mine on a recent trip to England, indicating, to me at least, that if British industry will only awaken to the many advantages of recent developments in the electrical industry it can quickly restore England to her former prestige in manufacturing.

America's industrial prosperity today is due to mass production, and mass production, in turn, has been made possible largely by the tremendous strides of the electric power industry.

The rapid increase in central station generation plus the individual electric motor has turned the American worker into a director of power rather than a manual laborer. His production has increased enormously, bringing about a steady increase in his real wage, thereby giving him the purchasing power to absorb the results of increased production. The net results have been astounding increases in national wealth and national income, and great improvement in standards of living.

Turning to England, we find physical and geographical conditions combined in a remarkable manner to favor the intensive distribution of electricity. Within an area smaller than that of Illinois and Indiana there live upward of 40 million people, with densities of population far greater than are found in any districts



Once England is thoroughly electrified she will again take her place as one of the great workshops of the world

of the United States; in the great industrial districts whole counties are built up to practically metropolitan conditions. Great supplies of coal are available, while the many rivers and their deep water estuaries furnish ideal sites for manufacturing plants. Industry has been developed to a high degree. For many years England has been the workshop for her colonies, the great manufacturing purveyor of the world.

Here, if anywhere, are combined human skill with the natural resources for the supply both of electric energy and

of the markets for its use.

Yet comparatively few English people use electricity. In Liverpool, with a population of some 800,000, there are less than 50,000 consumers—one out of every 16 persons. In Glasgow, out of a population of more than a million, there are only a little more than 65,000 consumers; in Manchester there are less than 40,000 consumers in a population of 750,000—one out of every 20 persons. In the Borough of Poplar, London, there is only one consumer in every 40 of population.

Compare Liverpool with Baltimore with its 175,000 consumers; Glasgow with Boston with 283,000 consumers; Manchester with Cleveland with its 272,000 consumers.

For some reason people of England do not seem to have been encouraged to wire their homes. In the United States, electricity is supplied to every community with a population of 5,000 or more; to 97 per cent of all communities with populations of from 1,000 to 5,000, to approximately 50 per cent of villages with populations of from 250 to 1,000, and to 25 per cent of all hamlets with less than 250 population. Five families out of every six in this country are now receiving

the benefits of electric service.

I have already said that physical and geographical conditions in England combine in a remarkable manner to favor the intensive generation and distribution of cheap electricity. The country has an unlimited supply of cheap fuel. Because of the density of population there are no problems created by load factors.

The answer to England's present industrial problems therefore is, in my opinion, great central generating stations near the coal mines, interconnected into one vast system with one type of



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current. Because of the short distances there are no problems of transmission. Once such a system is in operation British industry will quickly electrify.

With this will come mass production, higher wages, less unemployment, and greater purchasing power on the part of the people generally. It has been definitely proven that cheap power plus mass production means lower costs of production in spite of increased wages, and once England is electrified in a thoroughly modern manner she will again

take her place as one of the great workshops of the world.

England must do this if she is to survive economically. Lack of land will prevent her from ever becoming a great farming country. She must always import food and if she is to provide profitable employment for her people she must once more turn to industry and world trade for her fabricated products. Her unemployment situation is serious and only the speeding up of the wheels of industry will alleviate it.

## Britain's New Industrial Policy

By W. H. HARFORD

THE question of England's condition is of vital importance to France. Across the narrow channel France sends ten billion francs' worth of goods in a year. England imports more goods from France than from any other country in the world, excepting America.

England does not send to France as much as France sends to England, but the six billion francs' worth of British goods that are yearly consumed in France is no inconsiderable matter to the industrialists of Britain.

The condition of England is certainly as urgent to France as the condition of France is to England. Yet recent visits to France and perusal of speeches by French industrialists suggest to me that the French do not fully understand the existing commercial situation in England.

Perhaps it is England's fault. We English grumble at our lot so effectively that the foreign visitor may be forgiven for returning to his own country with a dark picture of our commercial position. About one thing we have always been eloquent: our own extraordinary difficulties.

Little wonder that eminent Frenchmen like Andre Siegfried speak of the decline of the English working classes, the apathy of company directors, our high taxation, the plight of our older staple industries and a change from industrial activity to purely financial operations. I am not quoting the actual words of Mr. Siegfried, but interpreting the general sense of recent comments upon English conditions as I have heard and read them.

### A New Industrial Growth

THE truth is that England is more of an industrial country than at any other stage in history. New factories are springing up all over the country and particularly in the South. Unless the automobile industry be regarded as a luxury industry, these factories are not for the production of luxuries. Large factories are rarely needed for luxury products.

True, the older textile, steel and coal industries are undergoing a period of change and are suffering during the change. They are passing through fires

of scientific evolutions, but manufacturing is in the bone of the English race and "what is bred in the bone is bound to come out in the flesh."

Oil may compete with coal, but coal is not only a substance for burning and creating heat. Scientific research is at the highest point in English history and it is only a matter of time for the coal industry to return to prosperity.

So with the cotton mills of Lancashire and the woolen mills of Yorkshire. Machinery is being adapted to deal with the newer fabrics and it is significant that England is leading in the production of artificial silk.

### Pangs of Reorganization

NO one attempting to give a faithful picture of England today would, however, attempt to disguise the fact that vastly important industries are suffering the pangs of deep-seated reorganization. Changes that go down to the depths are taking place, and it is a tribute to the solidity of these industries, that whilst these radical changes are slowly transforming the industries, the foundations remain firm.

An old building in the process of reconstruction has always been a marvelous thing to me, surrounded by scaffolding, with workmen crawling over it like flies, machinery drilling and hammering, new bricks taking the place of old, and inside, the staff carrying on as though nothing were happening. I know they must be working under great difficulties, but they carry on.

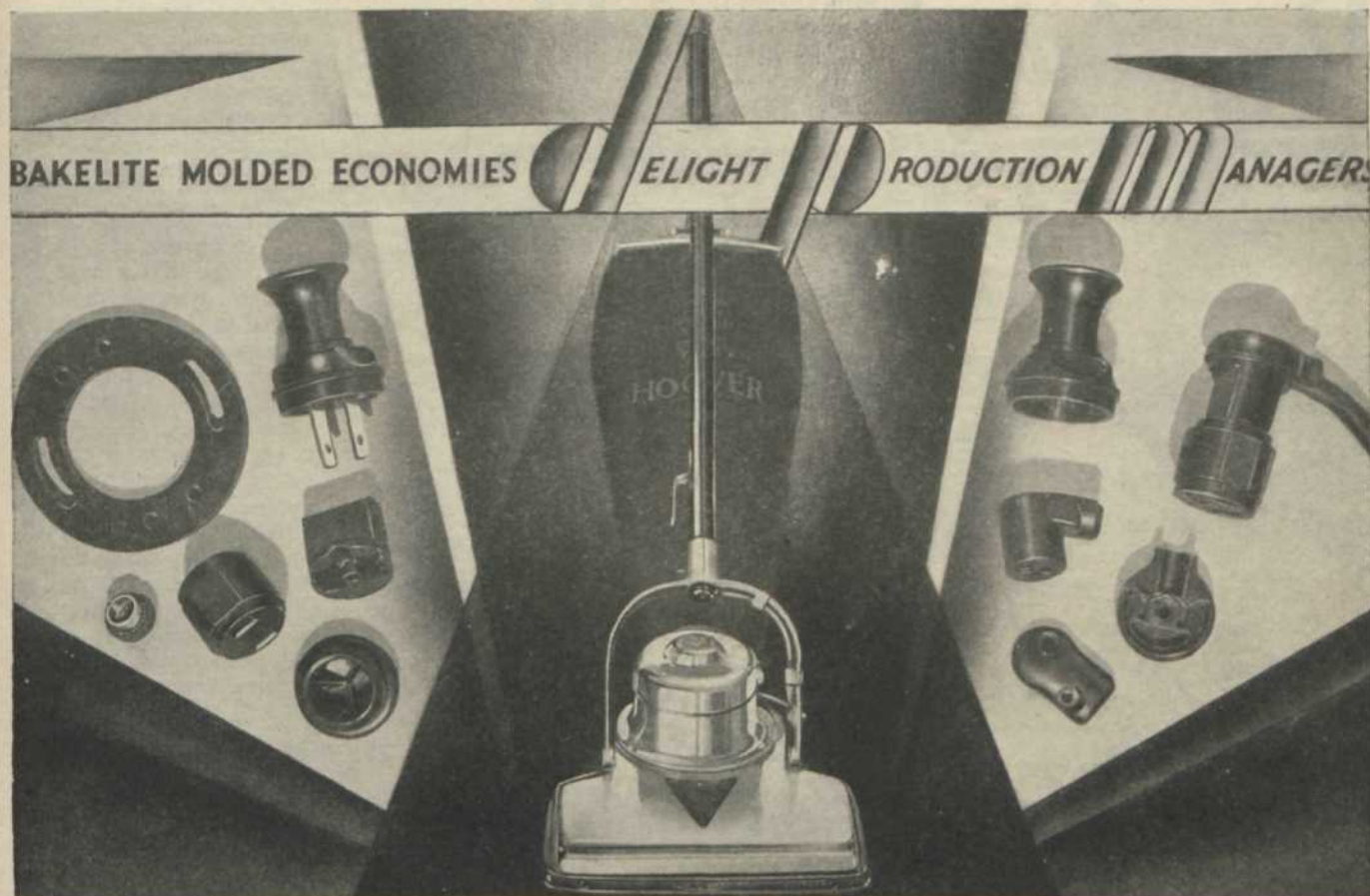
Then the day comes when the scaffolding mysteriously disappears and to the public eye there is a new building, clean and up-to-date, adequate to house a bigger and more efficient organization. That's how I see the older English industries of today.

And remember, these changing industries are not peculiar to England. Science and invention know no national boundaries.

America is passing through the same phenomena.

England, and particularly England's older industries, met the storm first and because of its deep foundations has with-





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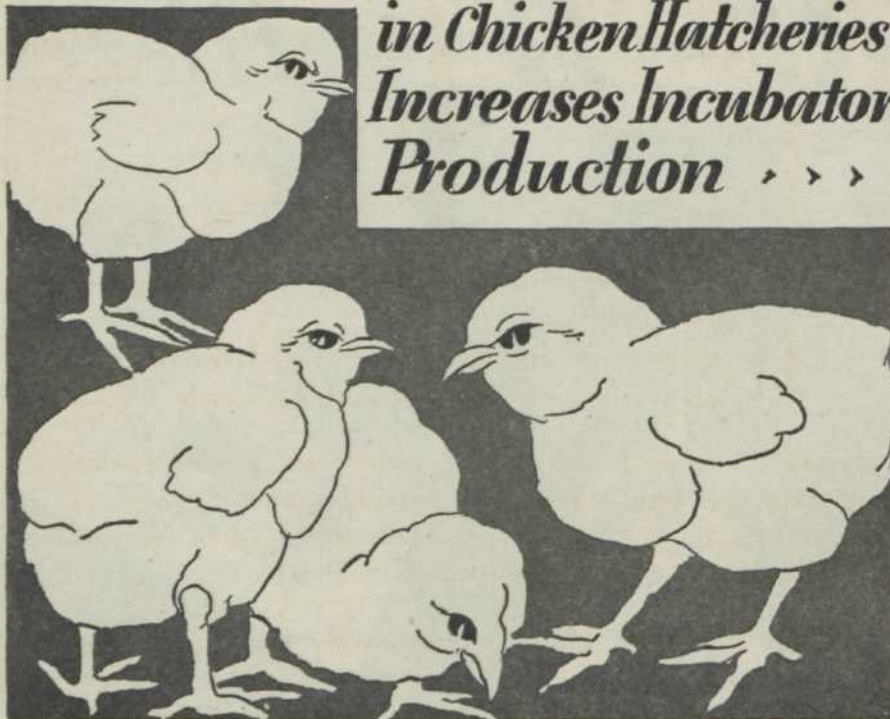
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stood it. That English financiers have held like grim death to the par value of the pound is not so much a criticism as a tribute and it has been a matter for international comment that in recent months so much capital has been subscribed for purely industrial enterprises.

The answer to the view that we are becoming more financially and less industrially minded is that there is a closer alliance between big finance and big industry. In the twentieth century, the demands of a more densely populated and more educated world are being met by greater concentration upon production, calling for intensive capitalization and an increased measure of mass production.

Consciously or unconsciously, we in England faced two alternatives. We either had drastically to reduce wages and the standard of living, and hence the purchasing power of the people, in order to reduce costs of production; or we had to reorganize the methods of production, eliminating wasteful competition whilst retaining the dynamic force of healthy combat and effecting economies by standardization.

#### The People Turn to Labor

**W**E chose the second method. I think we chose wisely, inasmuch as we have a well paid populace and an ever-decreasing production cost—the result of scientific management, sane amalgamations and the best of mass production.

I have referred to our unemployed—a million of them. In 1921 there were considerably over two million. Today there are more people employed in England than ever in its history. The stark realities of war elevated our conception of work.

War brought women *en masse* to the factory bench and the office stool. It brought men and women from the pleasurable seclusion of country house to the more satisfying, if more exacting, life of labor. They have never gone back.

Still, we have a million unemployed, and there is more misapprehension in France as to the significance of these million unemployed and the relief they receive from the State than surrounds any other feature of present-day England.

We have a higher standard of living than any country in Europe. That may not be something to boast about. The view that a nation should "tighten its belt" and live on the minimum of existence in days of commercial upheaval is perfectly tenable.

But it was not love of ease that made England adopt the policy of keeping its factory bench and the office stool. It was not national softness. The analogy of the Roman's bread and circuses is false. The dole, as we call it, was in line with the new age. A section of a nation on the poverty line would have been an economic danger to the State. A million people unable to purchase on a reasonable scale would have automatically dragged down those usefully employed.

But by retaining them as purchasers,



we retained them as customers for those goods the employed were producing. They helped to keep the machinery of industry moving. More than half of these who were unemployed in 1921 have been absorbed into the machinery.

#### A High Standard Essential

THE maintaining of a high standard of living was, furthermore, essential to a continuity of the English tradition for quality production.

With all the new orientation of industry, we have stuck firm to British quality of manufacture.

Mass production has not been followed by cheapening quality, as it might well have been. A well fed, well clothed, well housed race, and an adherence to a high tradition on the part of the manufacturers has seen to that.

Of course, unemployment pay has had to be met out of taxation—not from capital, as has erroneously been stated—and there still remains the task of absorbing the existing unemployed.

One is frequently asked on the continent why they do not emigrate, and the answer is that there is nothing to be gained by moving families from one part of the Empire to another until there is work for them to do. The strong probability is that home industries will absorb them in due course, thus retaining for England that instinct for good workmanship which is at the base of British manufactured goods.

But of all the remarkable changes which mark post-war years as an epoch, there is none more dramatic or with more potential effects than the revolution which has taken place in our conception of merchandising and selling.

It was true in pre-war days that we held the view that British manufactured goods had only to be produced to be sold. We felt their reputation to be such that what has come to be known as "the science of marketing" was outside our consideration.

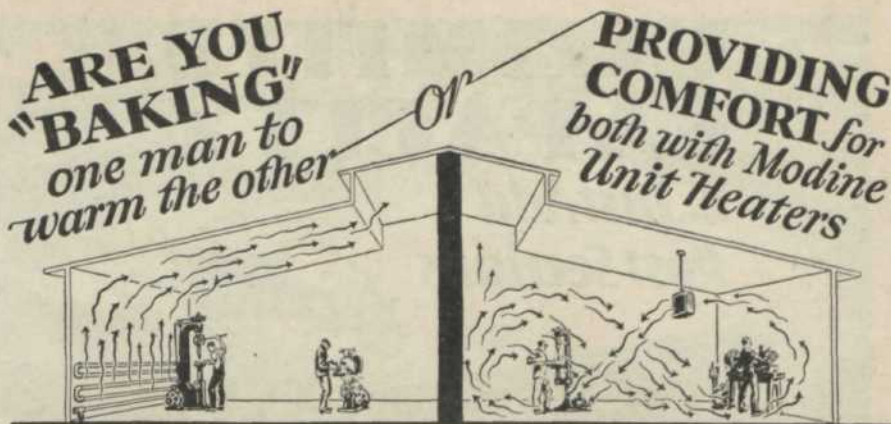
When we thought about the matter at all, we smiled cynically. In India and Asia and Africa, in South America and Canada and Australia, in all corners of the globe, British goods were sold without effort.

That is admittedly no longer true. There is no reason why we should expect it. Other nations have become manufacturing nations and the race is no longer to those who are strong only in manufacture. Goods have to be marketed as ably as they are made, and one reason why British prosperity is assured, is that we have awakened to the importance of scientific marketing and efficient selling.

#### Getting Better Distribution

FRANKLY, we have learned a lesson from America; but in many ways we have improved upon America in marketing ideas.

Sooner or later trade will swing, other things being equal, to the countries who market and sell most attractively and most efficiently. If, for example, England had the French flair for presenting an



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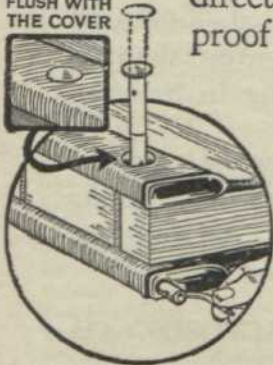
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article, with England's latter-day gift for economic distribution and sound marketing methods, the way to greater prosperity would be shortened. At any rate, England is drastically cutting out a great deal of dead wood that was choking the channels of distribution.

Today, the manufacturer appeals, more and more, direct to his buying public. He no longer leaves it to the uninterested attention of a wholesaler or an agent. He utilizes the wholesaler as part of his selling machinery (which is the wholesaler's proper place in the scheme of things), but he makes and maintains contact with the retailer and with the general public.

## Always a Good Market

**I**T is this new conception of marketing or merchandising which has made for the recovery of British internal trade and which has made the country so attractive to other nations from a market point of view.

England can never be a self-contained country. It must always import, and it must always export, and with certain exceptions, it welcomes the goods of other nations.

Essentially, England is in trade international. Exigencies of the moment may dictate apparently contrary policies, but fundamentally, England lives on the interchange of goods.

A careful examination of England today reveals that we buy the goods of those countries who have taken advantage of our simplified methods of marketing; in other words, the goods of those foreign firms who have realized that 45 million well paid people constitute a lucrative market if tackled seriously and not just regarded as a possible outlet for a little surplus stock.

## New Avenues for Our Goods

**R**EVERSELY, our new ideas on selling have opened new avenues for our goods abroad. America is selling vast numbers of commodities in England. England is opening new markets in America. The highroads of exchange are being widened by modern selling methods.

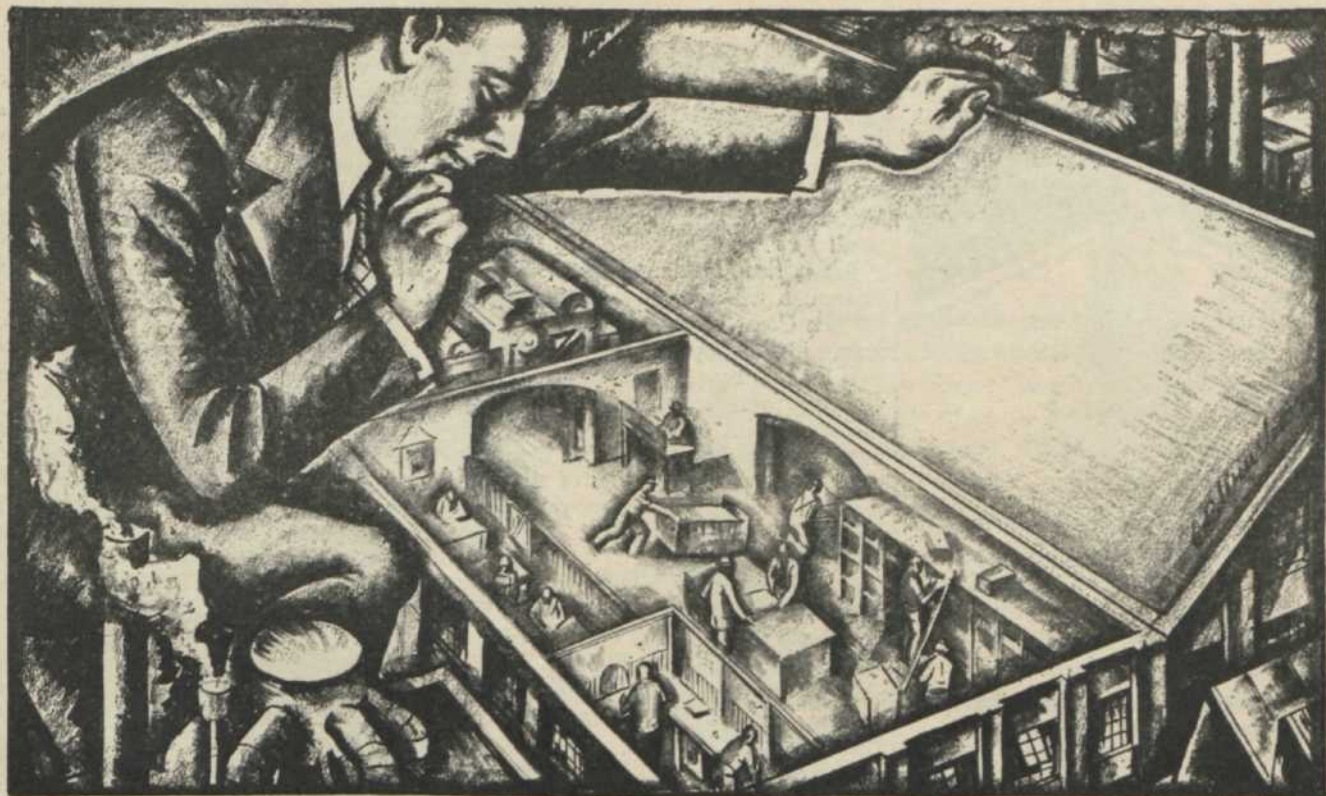
That spirit must surely spread to the Continent. France, as one of our nearest neighbors, must surely be the first to see that next door to it is a concentrated buying public, willing to buy those goods which are peculiarly French if only they are marketed in the modern manner, just as England must look upon France as its nearest customer for goods peculiarly British.

There may be differences of opinion on the correctness of our present industrial policy, but there can be no opinions on English buying capacity.

England has been at the parting of the ways. It has had to look a new world in the face. It is still passing through difficulties. But the important thing to grasp is, that it has chosen its way.

It is reaching the road of high standard of living and intensity of production and intensity of selling. That is why it is passing through its difficulties and not allowing the difficulties to smother it.





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# Untangling the Government

(Continued from page 17)

impose upon the Federal Government's agencies.

Let the curtain rise then upon the Eighteenth Amendment and the Volstead Law.

Let it rise; and a most distinguished statesman will soon say to this writer: "The Coast Guard ought to be transferred to the Department of Justice."

Why? Why, because the Coast Guard's present prime function, from the standpoint of immediate social demand and political need, is the interception and circumvention of that particular species of smugglers called rum-runners.

## The Basis of Organization

**T**EN years later people will say, "Why should a law officer be charged with the navigation of boats?"

That question brings us to a fundamental point in the whole problem of reorganization.

It is totally impossible to organize the Government on the basis of people's techniques. It has to be organized on the basis of the purposes to which those techniques are devoted. For instance:

You cannot take all the stenographers in the Government and, just because they are stenographers, lump them into a Department of Stenography under a Secretary of Shorthand and Typewriting.

Nor can you take all the janitors and set them off into one place where they will spend all their time opening and closing doors just for the sake of opening and closing doors.

These extreme illustrations indicate the reason why plans for putting all the Government's mapmakers, or all the Government's aviators, or all the Government's mariners, into one bureau, under one head, are forever brought to naught. Such plans are ceaselessly suggested. They are ceaselessly discarded. Necessarily.

Let us proceed then to consider prohibition enforcement, not as an assemblage of variegated technicians—such as mariners, stenographers, chemists, lawyers, detectives, warehouse-watchers, cask-gaugers, judges, and jailers—but as a purpose, a motion toward some given end.

The basic queries about it are:

Shall prohibition enforcement be regarded as primarily a task in administration? Or shall it be regarded primarily as a task in prosecution?

The answer to date is that it shall be regarded primarily as a task in administration.

Prohibition enforcement is placed therefore in an administrative department—the Treasury.

But why in the Treasury rather than in the Department of Agriculture or in the Department of the Interior?

For excellent reasons. The Treasury already contained the Division of Customs, familiar with examining attempted importations; and it already contained the Coast Guard, familiar with repelling smugglers; and it already contained the Bureau of Internal Revenue, familiar with the collection of taxes on intoxicating liquors.

There was also a reason not so profound in principle but extremely compelling in practice.

The head of the Treasury, at the time when prohibition enforcement was first being legislatively considered, under President Wilson, was thought to be "drier" than the head of the Department of Justice. Personal calculations of that sort have never been absent, and never can be absent, from the science of reorganization.

That unfortunate intrusion of an alien element of personality into the proposition of reorganizing the Government on business principles cannot be prevented. Disregarding it, however, let us resume our discussion of the merits of the matter.

Prohibition enforcement, within the Treasury Department, was allocated first to the Bureau of Internal Revenue. That was done by the organizers of 1919. Naturally, within a short time, the reorganizers were right on their heels.

By 1927 the reorganizers won a great triumph. Prohibition enforcement, being a very large and distinctive enterprise, was elevated into being a separate "bureau."

We therefore now have the following quite "logical" arrangement of things:

Under Secretary of the Treasury Mellon there is an Assistant Secretary of the Treasury, Seymour Lowman, who directly and exclusively supervises three certain agencies—the Bureau of Prohibition, the Coast Guard, and the Bureau of Customs.

## Necessary to Enforcement

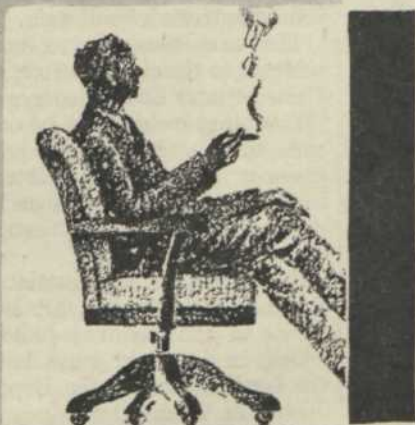
**A**LL three are essential to prohibition enforcement; and, between them, they comprehend all of the vital prohibition enforcement activities of the Treasury.

That is certainly "logic" in mass. Let us go on to details. The Bureau of Prohibition has now some 4,500 employees. It has approximately as many employees (if notary publics be omitted) as the whole Department of Justice itself.

The work of the Bureau of Prohibition may be divided into two "logical" parts. The first (by means of "permits" and so on) is the guiding of the conduct of people who are presumably good and who wish to obey the law. That is clearly administration. The second is the investigating of the conduct of people who are presumably bad and who are engaged or thought to be engaged in



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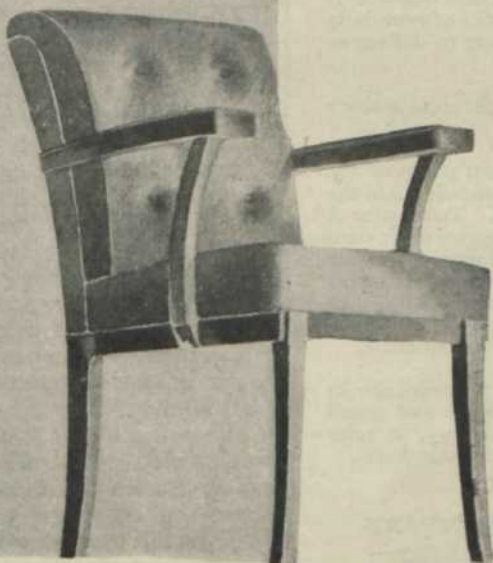
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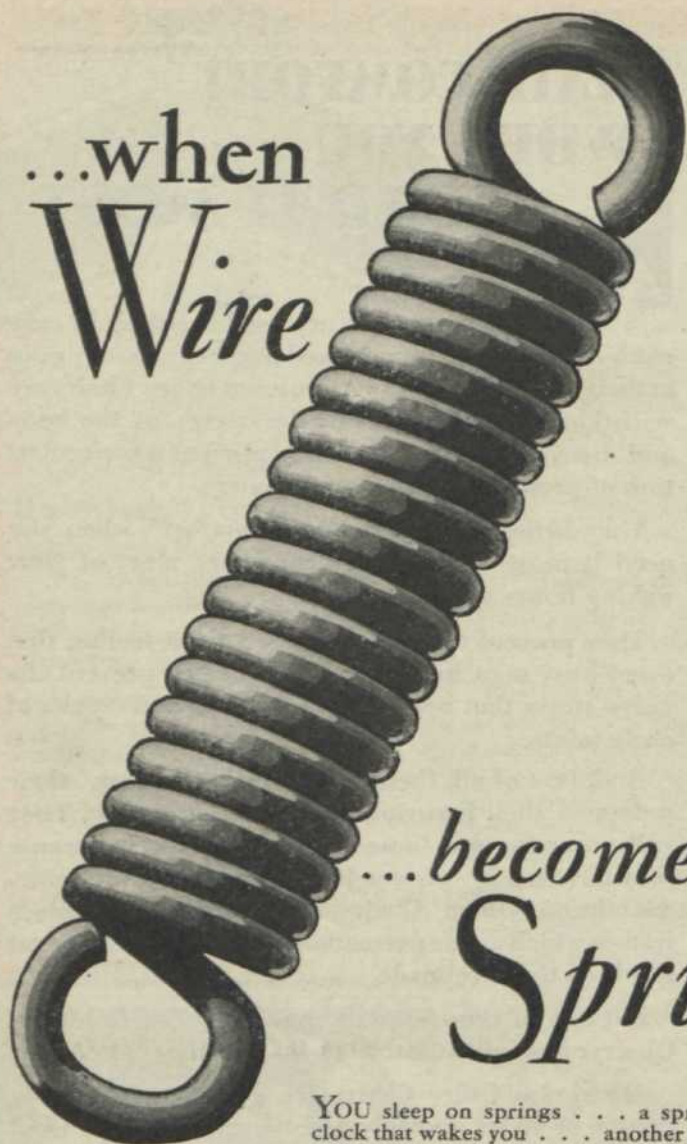
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breaking the law. That clearly verges on prosecution.

The actual prosecution is done, of course, by the Department of Justice.

Let us look at the process. An investigating agent of the Bureau of Prohibition arrests a bootlegger.

His next move is to transmit his prisoner to the care, in effect, of the local United States district court. The marshal of that court must become responsible in the end for the body of the prisoner. The district attorney of that court must become responsible in the end for indicting the prisoner and for trying him.

The marshals, the district attorneys, the judges, all federal, are integral elements in the federal judicial system which, in a certain sense, is focused in the headquarters of the Department of Justice in Washington.

Moreover, in that headquarters, there exist, even now, some 15 lawyers who specialize in rendering assistance to local United States district attorneys in local United States district courts in the handling of prohibition cases.

#### Enforcement's Present State

IT is manifest therefore—if we so choose to look at it—that we have now a divided enforcement. We have criminal investigation by the Bureau of Prohibition in the Treasury Department, and we have criminal prosecution by the Department of Justice.

At that very point the geyser of argument begins to rise and rage. Some people say:

"This division of responsibility is fatal. The Treasury Department blames everything onto the Department of Justice. The Department of Justice blames everything onto the Treasury Department. We have failure; and the failure has no author. It is anonymous."

Other people say:

"This division of responsibility is splendid. When there is failure, the Treasury Department tells on the Department of Justice, and the Department of Justice tells on the Treasury Department. If prohibition enforcement were put entirely into the Department of Justice, and if prohibition enforcement officials were in one united and cohesive bureaucracy, there would be no leaks, no exposures, no recriminations, and no improvements."

The writer leaves it to the reader to weigh these two contentions.

Two further rival contentions then are raised. Some people say:

"Why single out the Bureau of Prohibition for transfer to the Department of Justice? Why single out prohibition enforcement? What about the Department of Agriculture?"

"The Department of Agriculture is charged with the 'enforcement' of the Plant Quarantine Act. Last year, under that Act, it reported 33 cases to the Department of Justice for prosecution.

"It is charged with enforcement of the Insecticide and Fungicide Act, of the



Food and Drugs Act, of the Animal Quarantine Act, of the Migratory Bird Treaty Act. Last year, under those four Acts, it investigated and then reported to the Department of Justice, for prosecution, almost 1,500 cases.

"Why not, then, hurl huge hunks of the Department of Agriculture into the Department of Justice?"

"In fact why not put most of the whole Executive Arm of the Government directly under the Attorney General? The whole Executive Arm toils to enforce the laws passed by Congress. Why not reduce it to consisting of an Attorney General alone?"

So say some people, in an extreme of exasperation. But other people, wholly unabashed, at once respond:

"The enforcement bureaus to which you have alluded, in the Department of Agriculture, and elsewhere, do not deal, as a general thing, with people whom you could strictly call criminals. They deal, normally, with people who have fallen into a violation of a statute only by incident or even by inadvertence.

"Bootleggers, on the other hand, are deliberate, determined criminals. The agency which should investigate them is the agency which already specializes in investigating criminals of numerous professional and interrelated sorts—traffickers in women for prostitution, freight thieves and so on. We refer to the Bureau of Investigation in the Department of Justice.

"That Bureau of Investigation, headed by J. Edgar Hoover, has in its possession a total of more than 1,500,000 finger prints. It is collecting new ones at the rate of a thousand or more a day.

"It is increasingly equipped to keep an eye on the whole criminal world of the United States. Let that world be watched and held in check by one comprehensive federal eye and hand. Let combination among criminals be met by combination among federal investigators in the Bureau of Investigation of the Department of Justice."

#### The Severe View of the Case

THUS speak the people who take a severe view of bootleggers and who are alarmed by crime in general in the United States and who aspire to erect in the Department of Justice a general super-anticrime agency.

Their opponents then, however, renew their attack as follows:

"Of course the Bureau of Investigation investigates people like the traffickers in women. Such trafficking is crime—and nothing else. The repression of it involves investigation and prosecution—and nothing else. We deny that the same thing can be said of prohibition enforcement.

"Prohibition enforcement involves not only prosecution but also—and fundamentally—administration. Alcohol is not merely a crime. It is also, when not diverted to beverage purposes, an industry, a vast industry, a legitimate industry. The administrative regula-

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tion of it is an essential basic part of the duties of the Bureau of Prohibition.

"The Bureau's permissive activities are enormous. The number of its permits in force on the last day of the last fiscal year was 151,095.

"Are you going to take all this absolutely administrative issuing of permits and confide it to the great lawyer, the eminent jurist, who will become Attorney General? Are you going to make him an administrator of business as well as a prosecutor of crime?"

That last question is a facer. When it hits the proponents of the transfer of the Bureau of Prohibition from the Treasury Department to the Department of Justice, it usually sends them to the floor.

But not for a count of ten! No. At about seven they are right up and at it again. They say:

"Oh, very well! Perhaps we'll leave the administrative permissive part of prohibition enforcement still resting in the Treasury Department. The Treasury Department may keep the administrators of alcohol. We insist, however, that the prosecutors of alcohol—the investigators of the criminal activities of alcohol—shall go over to the Department of Justice. We shall insist on the same sort of thing in reference to the Bureau of Customs.

"The Bureau of Customs now maintains an institution called the Border Patrol. It consists of 530 patrollers. We maintain that they are primarily nothing but an antirum guard.

"Of course, we realize that perhaps in certain circumstances we would not want to put them under the Attorney General, after all. We realize that perhaps we ought to organize a sort of general and consolidated 'Border Police' (which would include the Coast Guard)—against all violators of our frontier regulations.

### Narrowing the Calculations

"LET us accordingly, for the moment, leave the Border Patrol and the whole of the Coast Guard out of our calculations and out of our reorganizing projects. Let us take one thing at a time. Let us take that Bureau of Prohibition; and, now that we come to think of it more closely and decisively, let us not be bothered by the fact that the Bureau of Prohibition contains some administrators who are not criminal investigators.

"Those administrators, in bulk, are mere adjuncts to the criminal investigators, to the criminal enforcers. Let the hide go along with the calf. We recur to our original proposal. The whole of the Bureau of Prohibition must go over to the Attorney General."

So the final trenches of our controversy are reached.

The opponents of the proposed transfer haul out their last and biggest gun and exclaim:

"Do you realize what you are doing? Look about you. The Attorney General of the United States is the chief law offi-



cer, the chief legal counselor, the chief constitutional adviser and guide of the whole Government. His primary duty is to keep the President and the whole Executive Arm on a sound constitutional course. The historic principle regarding him is that he shall be a great legal thinker, a great jurist.

"But what have you done to him, you, with your talk about giving him direct charge of the Bureau of Prohibition? What now is asked about all the suggested candidates for the post of Attorney General? Does anybody inquire about any of these candidates:

"Is he a great lawyer?"

"No. The only inquiries are:

"Is he wet? Is he dry? Did he support the passage of the Eighteenth Amendment? Does he believe in prohibition? Does he want to modify the Volstead Law?"

"That's what you've done to the Attorney General of the United States. It's a degradation. It's an infamy."

But then comes the counter-exclamation. Then comes the ultimate charge of the attacking forces. They cry:

### The Triumphant Answer

"YOU talk of technicalities. You are blind to great human emergencies. We face such an emergency now. The Eighteenth Amendment is a life-and-death test of our national capacity for controlled loyalty to our constitutional institutions. It is right, in any case, that criminal enforcement should be under the Attorney General.

"If the criminal enforcement of a certain given amendment and of a certain given law happens for the moment to dominate the public mind, let us not therefore flinch. Let us all the more be resolved to go on and through with it.

"The preoccupation of the public mind with the Eighteenth Amendment and the Volstead Law constitutes an emergency of the highest character. Let us meet it with the utmost correctness and vigor of governmental organization and reorganization. Let us meet it with men of the highest skill in the law and in criminal procedure. Let us meet it with men who are lawyers and whose careers as law-enforcers for the Federal Government will supplement and advance their general careers as practitioners of the law.

"It is manifest that we can enlist such men more effectively in the Department of Justice than in the Treasury Department. The problem of the emergency now existing is a problem of law. Put it in the hands of men of law. Start right, go right, and you will end right."

Reader, you have heard the arguments. The pieces of this one small part of the federal picture-puzzle are on the floor. Will you put them together?

This first lesson indicates to you that reorganizing the Government is not child's play. It is a game of adult difficulty.

A second fact-finding article by William Hard on reorganizing the Federal Government will be published in the April NATION'S BUSINESS.



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# WHAT I'VE BEEN READING

By WILLIAM FEATHER

**H**ENDRIK Van Loon who writes so that children may understand him finds that his books also interest adults. He proves that no idea is too big to be adequately expressed in simple words and short sentences.

In "Man the Miracle Maker" he traces the development of man from the prehistoric days when he first learned to use a club down to the present day when he operates a pneumatic hammer and a Big Bertha.

Most of man's inventions have been an effort to extend and improve his natural physical attributes.

The microscope and telescope (and spectacles) are an extension of the eye. The overcoat and the skyscraper are an extension of the skin, an effort to keep warm and live comfortably. The automobile and the airplane are an extension of the foot, an effort to improve locomotion and transportation.

Van Loon confesses that his classification does not work out with scientific exactness. But that does not keep it from being useful. The outline is a glorification of the human brain. It illuminates the fact that the fundamental purpose of invention is to enable us to pass through life with a maximum of pleasure in exchange for a minimum of effort. The progress so far made is merely a suggestion of future possibilities.

"I know," says Van Loon, "that people will object and will say that salvation must eventually come through the spirit.

"Quite true! But the spirit has a poor time of it when the body has got to dig potatoes in order to keep alive.

"Thus far Man has wasted too much time in digging out potatoes.

"I want him to stop digging that he may have leisure to develop his higher faculties.

"What use he will make of those higher faculties, we, who belong to the late Stone Age, are not able to prophesy, but the evidence of the past encourages us to expect that he will do better and better as he relieves himself more and more from that drudgery which so often has threat-

ened to degrade him to the order of bees and ants."

Those sentences make a good ending for a good book. They are an appreciation of the efforts of thousands of business men who by stimulating invention have made life easier and more abundant for millions of people.

I READ Van Loon's book on a day train from Cleveland to Detroit. The time passed pleasantly and rapidly, even

six or seven books a month and twenty publications.

I gain a good deal of time for reading by not playing bridge. More time is gained by using half hours that would otherwise be spent in boredom. My practice is to have interesting books always near me in anticipation of a free moment. I pack a couple of books in my bag when I travel and two or three are always on the table at home.

The half hours before dinner and after dinner, and late in the evening after returning from a play or a concert, are used for reading magazines. I am home two or three evenings each week and when I see an hour or two ahead of me I turn to a book.

## Writing and Reading

A SHREWD MAN made the comment that much writing is "definitely and intentionally vague."

An author doesn't quite understand his subject, so he seeks prestige by confusing his readers, trusting that they will blame themselves and not him for lack of understanding.

"The man is good but he's over my head," is the report of the shy reader who quits in the middle of the first chapter.

The cause of good thinking and writing might be better served if the book were returned to the publisher, with bold and appropriate comment.

The art of appearing more learned than one has been practiced for many centuries.

Einstein may have a brain of rare parts but he has been suspect with a good many of us since he announced that there were only a dozen men in all the world who could understand his proposition. I regard that as the most colossal insult ever uttered.

W. F.

I FIND it is a good plan not to accumulate unread books. Therefore, I buy only for immediate consumption. Unread books quickly acquire a stale look. I resist buying more books until I have either read or discarded the books on hand.

I read almost no fiction, not because I do not enjoy it, but because I get more stimulation and usable ideas out of other books. Biography, economics, philosophy, business, essays and humor are my favorite diet.

Returning to "Constructive Citizenship." This book was strongly recommended to me by Warren Bishop, the managing editor of NATION'S BUSINESS. It looked good and felt good when I opened it. The content supplied substantial food for reflection. It is what Mr. Bishop calls "thinking writing."

Professor Jacks contends that mankind will get nowhere except as men are improved. He doubts that our present ideals emphasize this fact.

This author believes in the doctrine of Ruskin, William Morris and Carlyle. He pleads for genuine honesty, courage, personal skill, good workmanship. He is weary of shoddy goods, bad workers, incompetence, treachery.

Only fools, he maintains, describe Utopia as a society where all are free from responsibility. Progress and individual responsibility are inseparable. What

**"Man the Miracle Maker,"** by Hendrik Van Loon. Horace Liveright, Inc., New York, \$3.50.

though the train arrived at its destination an hour behind schedule.

"CONSTRUCTIVE Citizenship," by L. P. Jacks of Oxford University, which I am now about to discuss was read the night before Christmas and Christmas day.

Many people ask "How do you find time to read?"

Before answering this question I must blush and confess that my reading covers a pitifully small range when compared to that of some men I know. I read perhaps

**"Constructive Citizenship,"** by L. P. Jacks. Doubleday, Doran & Company, Garden City, N. Y. \$2.



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## "I Cannot Afford to Miss It" J. J. BERNET

President of the Erie Railroad

"I read Nation's Business because I cannot afford to miss it. I haven't a great deal of time for reading and I am obliged to select the magazines which are most helpful to me. As head of a railroad I must know the underlying currents which shape the course of business. I find this information helpfully and authoritatively presented in the pages of Nation's Business."

*J. J. Bernet*

he describes as "social tension" will increase as mankind advances toward its goal. Those who now bear burdens will then bear heavier burdens, and those whose responsibilities are now light will acquire their share of new duties.

Society does not advance by diminishing the responsibility of its members, but by extending the area of it, making every citizen, rich or poor, employer or employee, conscious that he is a responsible trustee of the common good.

As we lift ourselves up the pull down is intensified. The future does not promise ease. It promises a position worthy of a higher type of man but it promises only catastrophe for the slothful.

MEN best express themselves and are happiest when they are doing something worthwhile, something that commands their whole energy and resources. They are not happy in idleness. They are not happy in creating art for art's sake. Life must be purposeful, and the goal is not passive happiness but active realization.

We have always recognized that the individual who prematurely quits active, useful work and settles down to a life of ease soon finds that existence loses its zest.

He must get busy, either returning to his old work or plunging into community activities. He must pull up or the opposing force will drag him down.

The life of society is like the life of the individual. Society will never be an automatic system. It must be wound up every day.

Professor Jacks admires the social service that expresses itself in humanitarian efforts— orphan asylums, homes for drunkards, criminals and fallen women—but he believes that the highest form of social service is expressed in the daily work.

"The root of social service lies," he says, "not in what we do when we are off duty but in what we do when we are on duty, not in the use we make with the surplus when it has been earned, but in the motives of the work by which we have earned whatever we possess, surplus and all."

"Is that work good? Have we striven to make it as valuable as the circumstances permit? Are we giving our fellow citizens good value for their money, or are we exploiting their weakness, their ignorance, their gullibility?"

"Is the article we make and sell, is the service we render, what it pretends to be or is it merely some sort of profitable imposture? These are the fundamental questions of social service and of industrial morality."

As a layman, I dislike to believe everything that Frederic Bond says about the stock market in his book "Stock Movements and Speculation." He pre-

<sup>2</sup>Stock Movements and Speculation, by Frederic Drew Bond. D. Appleton and Company, New York. \$2.50.



sents Wall Street as a pretty tough quarter.

A few months ago Col. Leonard P. Ayres, vice president of the Cleveland Trust Co., observed somewhat cynically that it would seem impossible for any speculator to lose money in the great bull market of the last four years, although the fact probably was that most of them had.

Bond reveals why nonprofessionals do not succeed. He scoffs at market barometers and stock analyses. Stocks go up, he maintains, when some group makes it their business to put them up. Those who hope to make money out of stock speculation must be members of pools, or must "trail" pools. They must be of different temperament from the general run of humanity.

Bond explodes the idea that the "lamb" or "the public" are morons and nit-wits. He denies that many go absolutely "broke."

**M**OST of the amateur speculators are intelligent men who are successful in their own business or profession. Bond states that in all his observation, and from all his information, during his many years in Wall Street, he has never seen a single consistent winner from among this group.

"Taking them all in all," he says, "the chronic losers in the market, despite the presence among them of many mean and cheap characters, do not seem inferior mentally to the usual successful business man. Indeed, many of these losers are quite successful in their own business or in their own profession."

"These men come and go from year to year. Some are content with a short experience; many are more or less chronic habitués of the market for active life. It is plain that without their own incomes, whether from profits, interest or rents or even from salaries, they could not afford their constant losses from year to year. Those who are actually ruined seem very few indeed in number."

The only difference, he observes, between amateur speculation in New York and "wire" speculation, is that the out-of-town man does not have the same facilities for making a fool of himself. The out-of-town man merely loses slower.

**Y**ET the profits of skillful traders are large and consistent. He holds that 75 per cent profits per annum is a reasonable expectation.

No man, says Bond, is prepared for speculation until he realizes that nothing happens in the market except through buying and selling, and that buying and selling depend on human motives of fear and cupidity. As long as a speculator or a group of speculators can make money in the stock market, they will stay in, if they can, no matter what economic conditions may be. They will get out when they see they have to get out—sometimes, not until they are actually forced out.

It may be that Bond has become un-

1904

## IT WAS EARLY IN 1904

that the late Charles P. Dahlstrom and his associates organized the Dahlstrom Metallic Door Company . . . an act of pioneering that founded a new industry . . . creating entirely new tools for the architect's hand.

Through the dark uncertainties of pioneer days . . . the difficulties of treading paths utterly new . . . this organization was guided by a single ideal . . . an ideal that has made the name Dahlstrom the greatest in Hollow Metal Construction.

For, the finest of materials . . . unequaled workmanship and design . . . are to Dahlstrom more than mere words. They are the motivating influence of every act . . . the concrete reason for Dahlstrom dominance . . . the keynote of a quarter century of progressive leadership.

To the users of Dahlstrom Metal Doors, Trim and Partition, this ideal translates itself in terms of longer life . . . lower upkeep . . . better fire proofing . . . lower depreciation . . . factors that add value to every Dahlstrom equipped building . . . factors that have made Dahlstrom the accepted standard of value.

## DAHLSTROM METALLIC DOOR CO.

416 BUFFALO STREET . . . . . JAMESTOWN, N. Y.  
New York . Chicago . Los Angeles . Detroit . Dallas

**"No building is more fireproof  
than its doors and trim."**

**DAHLSTROM**

1929





## GAS HEAT—

*how it brings  
profits to Industry  
in countless ways*

**L**ET'S take a minute or two and see what we'll gain when we put in gas heat. Call in the cost accountant.

First: No fuel stocks to maintain. Check off investment, cost of handling, cost of storage space, interest.

Then, relative efficiency. Gas will save us money here: put a gas flame right where we want it; waste no time, no fuel, in building up to maximum efficiency. Shut it off instantly when we're done.

Better working conditions. No soot, smoke, coal dust.

Gas is flexible, too. We can apply it economically; we can maintain our temperatures accurately, we can control it accurately. That'll cut down spoilage losses and build up production.

Gas is all fuel; no waste. Every cubic foot we burn will produce profitable heat.

Let's get that book, "Industrial Gas Heat" from the American Gas Association, and see what other people are doing with gas. It's free . . . and there's no obligation in asking for it.

**American Gas Association**  
420 Lexington Avenue, New York



IF IT'S DONE WITH HEAT—  
YOU CAN DO IT BETTER WITH

# GAS

When writing please mention Nation's Business

duly hardened by close association with professional market operators. Nevertheless, his book is calculated to compel a prospective speculator to do some solemn thinking.

**HARVEY BAUM**,<sup>4</sup> fifty-eight, owns a seventy-acre farm in Hilltown, Bucks County, Penna. He farmed it in the usual way for fourteen years. He raised a family of seven children, who toiled with him, helped him in caring for a few cows and poultry, growing the usual crops of corn, wheat, hay and potatoes. Potatoes were his cash crop. Because he was thrifty and industrious, and had small expense for the labor performed by his boys, he managed to get along.

In 1923 he attended a Farm Bureau meeting in Doylestown. These lectures have been given for years. Farmers listen but are not converted. But this time Baum "got religion." The years 1922 and 1923 had been his worst. His four boys had left him for jobs in the city. The future was bleak.

He determined to grow potatoes according to the instructions of experts. For years he had planted three acres of potatoes. His profit had varied from nothing to \$60 an acre.

This year he bought seed at \$3.85 per bushel. He plowed deep and harrowed carefully. He applied fertilizer gener-

<sup>4</sup>Harvey Baum, a Study of the Agricultural Revolution, by E. S. Mead, Professor of Finance, University of Pennsylvania, and Bernhard Ostrolenk, director of the National Farm School, Doylestown, Penna. University of Pennsylvania Press, Philadelphia. \$2.

ously, and spaced his plantings as he had been told. He cultivated and sprayed incessantly, because he wanted to prove that the expert was either right or wrong.

Baum harvested 1,040 bushels of potatoes which he sold at a clear profit of \$140 per acre. The year was disastrous for potato growers, yet Baum did better than ever before.

The next season, planting five and a half acres he harvested 2,326 bushels. This time the potato market was with him. He cleared above all expenses, \$5,586.73, a larger profit in one year than all that he had made in fourteen years of farming.

The authors cite Baum as an example of what can be accomplished in farming under the new methods. Seed selection, deep plowing, stock breeding and feeding, labor-saving machinery, and spraying are causing a revolution.

What are the consequences? Even under out-of-date methods the farms are producing more than consumers need. Prices are too low to support the farmers. Relief which aims at raising prices will stimulate production and hasten the use of modern methods. Crops will be greater than ever.

The conclusion is that part of the rural population must migrate to urban communities. The quicker this movement begins the better for all. Relief would merely retard the inevitable. The doctrine is hard.

The book is short, and can be read in an evening. It is lucid and thought-provoking, and is highly recommended to those who are interested in the agricultural problem.

## On the Business Bookshelf

**Y**E editor, writing this at 10:30 p. m., is inclined to believe that there is no such thing as a leisure problem.<sup>1</sup> But the authors, nevertheless take up such a problem, dissect it, explain it, and compare it with the similar problem that exists in foreign countries.

They ask what the workers of all classes are to do with their spare time. Workers may work at night sometimes, but probably not often. They may spend their leisure for present amusement or for cultural and educational benefits. The problem is what organized society shall do to help the people spend their leisure time to the best advantage to themselves and society. The situation and efforts to

help it in France, Germany and England are outlined. Needless to say, sports or other forms of recreation are one of the most important phases of the discussion.

It is asserted that many people welcome shorter hours because they afford opportunity to work overtime at higher wages rather than for the increased leisure such hours provide for recreation and improvement.

**W**ITH the growing importance of investment trusts,<sup>2</sup> Professor Grayson, of the Wharton School of Finance, felt the need of a work to cover the subject and to give the reader a clear understanding of the basic principles underlying these organizations.

He has ably demonstrated the principal forms of investment trust companies and has also contributed much definite information for those interested in this type of investment machinery.

**"W**E are governed, our minds are molded, our tastes formed, our ideas suggested, largely by men we have never heard of." This quotation is from the first chapter of Mr. Bernays' book on

<sup>1</sup>Leisure and Its Use—Some International Observations, by Herbert L. May and Dorothy Petgen. A. S. Barnes and Company, New York, 1928. \$2.

<sup>2</sup>Investment Trusts, by Theodore Grayson. John Wiley & Sons, Inc., New York, 1928. \$5.

<sup>3</sup>Propaganda—The Public Mind in the Making, by Edward L. Bernays. Horace Liveright, New York, 1928. \$2.50.



# INDUSTRIAL BUILDINGS

*predesigned by* **BLAW-KNOX**



*Firesafe*

*Portable*

*Permanent*

*Flexible*

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These buildings are low in initial cost, require only the very minimum of maintenance and may be dismantled and re-erected without loss or may be easily altered to meet changing requirements. Blaw-Knox Buildings are the answer to industry's demand for adequate housing without extravagance—good looks without frills—they are the lowest cost per year all steel buildings.

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PITTSBURGH, PA.

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# BLAW-KNOX BUILDINGS

LOWEST COST PER YEAR



## SHEPARD-NILES CRANE & HOIST CORPORATION

### Announcement...

To provide a single source of supply for all sizes of traveling cranes and electric hoists, the Shepard Electric Crane & Hoist Company, including the Sprague Division, and the Niles Crane Corporation, formerly a division of the Niles-Bement-Pond Company, have combined under the above corporate title.

Through combining the facilities, experience and engineering skill of these two old and successful organizations, the new Corporation is in a position to provide a line of standard and special traveling cranes and electric hoists more comprehensive in its range of sizes and types than any heretofore available.

The Shepard Plant at Montour Falls, N. Y., and the Niles Plant at Philadelphia, Pa., will be continued in operation for the production of the types of equipment for which their facilities have been designed. The main office will be at Montour Falls, N. Y.

#### The Officers of the

Shepard-Niles Crane & Hoist Corporation will be:

COLONEL EDWARD A. DEEDS, *Chairman of the Board*

S. G. H. TURNER, *Chairman of the Executive Committee*

FRANK A. HATCH, *President*

SYDNEY BUCKLEY, *1st Vice-President*

JAMES A. SHEPARD, *Vice-President*

ROBERT T. TURNER, *Vice-President*

In addition to the above officers and to the other members of the former Board of Directors of the Shepard Electric Crane & Hoist Company, the Board of Directors will include Colonel Leonard S. Horner, President, and Charles K. Seymour, Vice-President of the Niles-Bement-Pond Company. The three divisions of the new Corporation will operate as the Shepard Division, the Niles Division and the Sprague Division.

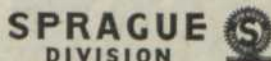
SHEPARD-NILES CRANE & HOIST CORPORATION  
MONTOUR FALLS, N. Y.



Works: Montour Falls, N. Y.



Works: Philadelphia, Pa.



Works: Montour Falls, N. Y.

"Propaganda." He deplores the late sinister use of the respectable word and furnishes this definition:

"Modern propaganda is a consistent enduring effort to . . . influence the relations of the public to an enterprise, idea or group."

Propaganda, publicity, educational news, call it what you will, is practically necessary in this modern world. It does a lot of good and comparatively little harm. Mr. Bernays' discussion of it and its relation to various modern forces makes interesting and informative reading.

"THE Radio Industry" is a symposium of lectures by various officials in the field—among them General Harbord, president of the Radio Corporation of America; Merlin H. Aylesworth, president of the National Broadcasting Company; and H. C. Weber, Massachusetts Institute of Technology.

Each talks of a phase of radio with which he is familiar, and they all talk interestingly.

"THE Credit Manual" gives an astounding amount of legal information of various phases of credit and gives it in a readily understandable manner, too.

The book is an annual. The National Association of Credit Men reports that it is revised up to the minute this year.

The diary contained in the volume gives the dates on which various reports and tax payments are due in the different states.

"SELLING Through Wholesalers" is a concise description of the principles and practices involved in the distribution of goods from producer to consumer, with reference to the fundamental position of the wholesaler in the process.

<sup>4</sup> *The Radio Industry: The Story of its Development.* A. W. Shaw Company, Chicago and New York, 1928. \$5.

<sup>5</sup> *The Credit Manual of Commercial Laws With Diary 1929.* National Association of Credit Men, New York. \$4.

<sup>6</sup> *Selling Through Wholesalers.* Wholesale Dry Goods Institute, New York.

#### RECENT BOOKS RECEIVED

*Commercial Education in Secondary Schools,* Harry D. Kitson. Ginn and Company, New York, 1929. \$2.20.

*Foreman Training,* by George F. Mellen. McGraw-Hill Book Company, New York, 1928. \$1.75.

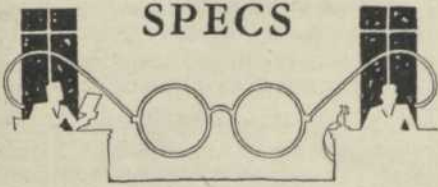
*Patents: Law and Practice,* by Oscar A. Geier. Fourth Edition. Richards & Geier, New York, 1928.

*Investment Fundamentals: How to Invest Your Money,* by J. A. Billington and Bernard Krog. Investment Advertising Company, Chicago, 1928.

*Classification and Compensation Plans.* Published by the Civil Service Assembly of the United States and Canada and the Bureau of Public Personnel Administration, Washington, D. C., 1928. \$2.



\*\*\*\*\*  
**THROUGH  
 THE EDITOR'S  
 SPECS**



**D**URING the past month, NATION'S BUSINESS has received commendation for three of its diligent workers—a writer, an artist, and a typographer. The first, from the *New Yorker*, boosts Edwin C. Hill, a welcome and frequent contributor to our magazine. His daily job is writing for the *New York Sun*, for which he did a very good story in reporting Tex Rickard's funeral. As the *New Yorker* writes:

The *Sun*, however, allowed Edwin C. Hill to write the best story of the funeral, with the emphasis on a similar note. "Tex Rickard dead," began Mr. Hill's story, "lying in his magnificent silver-bronze coffin in the very center of the polished marble floor of Madison Square Garden, was the center this afternoon of a spectacle that the living Rickard could never have dreamed of—his Garden crowded with people—boxes and seats filled all around the sweep of the arena—and not a dollar paid into the box office. Only in death could this have happened to the master showman, the twentieth century Barnum, for it was, of course, his funeral."

**H**AVING quoted a kind word for one of our writers, let us say another for one of our artists.

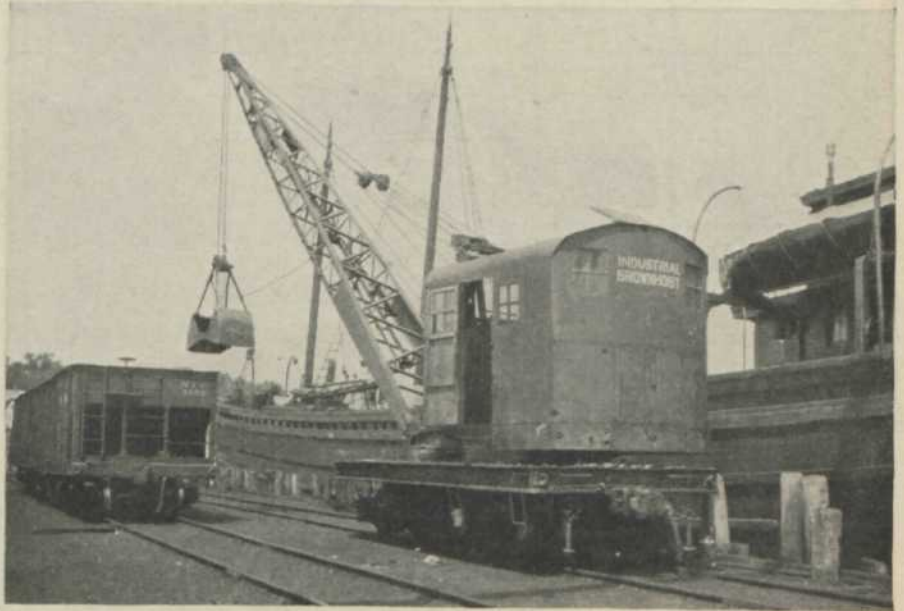
The *Washington Star*, writing of an exhibition at the Arts Club, Washington, says of our Charles Dunn:

Of notable interest in this collection is a group of drawings by Charles A. R. Dunn, entitled "Babbitt Through the Ages," a series produced for the NATION'S BUSINESS, which has lately been reprinted in pamphlet form. "There is more than one form," says the introduction to this pamphlet, "of attacking an injustice. Some wrongs can best be righted by laughter. When the business men of the nation were pilloried as Babbitts, NATION'S BUSINESS took this course. It answered invective with ridicule. That's the 'why' of Mr. Dunn's striking series of cartoons entitled 'Babbitt through the Ages.'"

Beginning with the Paleolithic Age, Mr. Dunn in succession shows the Babbitts of Egypt, of Phoenicia, of Greece, of Rome, of the Orient, of Norman England, of the days of piracy and of our own immortal '80's—"The Mauve Decade." His humor is irresistible, and at the same time fully significant. Never was ridicule more poignant or better attuned. Few of "the funnies" have been as funny as these. Well composed, admirably drawn, amazingly expressive, this series takes its place as art, and art of a very real sort. "Babbitt through the Ages" should live.

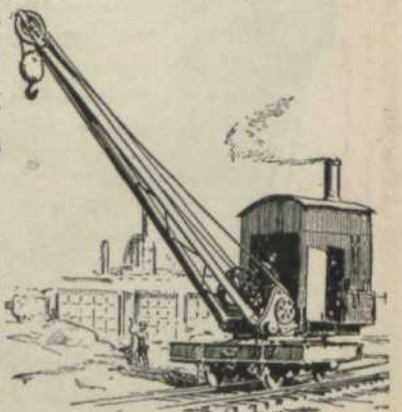
**Y**OU'VE noticed it yourself of course, being a reader of NATION'S BUSINESS. And we, for our part, confess that we do

# .. Crane Bought in 1898 Cuts Costs for 30 Years



**B**Y saving time and money for its owner for more than a quarter century, the Industrial Brownhoist shown at the right has proved its ability to give complete satisfaction under all handling conditions. Because of the reduction in handling costs effected by this crane since its purchase in 1898, fifty-eight Industrial Brownhoists have been bought.

Increasing handling efficiency and cutting costs has been the work of Industrial Brownhoist for over fifty years. In accomplishing this, the world's most complete line of locomotive cranes has been developed, as well as many types and sizes of crawler cranes and shovels. These are used for handling materials with bucket, hook or magnet, for excavating and for switching cars. There is a type for your work.



Industrial Brownhoist Corporation, General Offices, Cleveland, Ohio

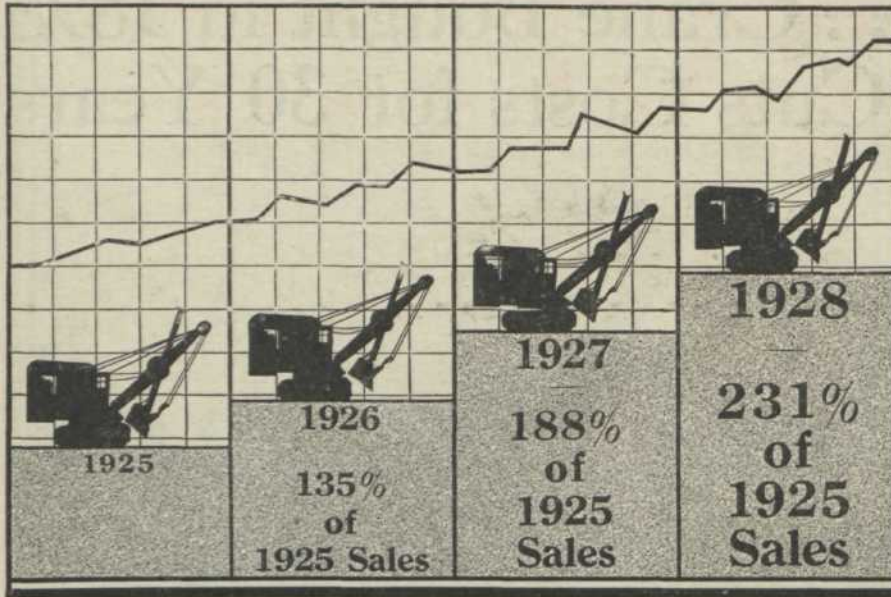
Plants: Brownhoist Division, Cleveland, Ohio; Industrial Division, Bay City, Michigan; Elyria Foundry Division, Elyria, Ohio

District Offices: New York, Philadelphia, Pittsburgh, Detroit, Chicago, San Francisco, New Orleans

# INDUSTRIAL BROWNHOIST

*When writing to INDUSTRIAL BROWNHOIST CORPORATION please mention Nation's Business*





**A** STEADILY MOUNTING SALES INCREASE is indisputable evidence that Thew has perfected a line of power Shovels which exactly meet modern requirements.

To invest the thousands of dollars represented by a power shovel without investigating the reasons for the redoubled popularity of Thew machines is to make a decision on insufficient facts.

**THE THEW SHOVEL COMPANY**  
Lorain, Ohio  
CRANES · DRAGLINES · SHOVELS  
Gasoline or Electric Powered



**THEW**  
**LORAIN 55-60-75**

When writing to THE THEW SHOVEL COMPANY please mention Nation's Business

look vastly improved after our "haircut," as it pleases William Reydel, writing in *The American Printer*, to describe our improvements in typography and make-up.

Reydel in his article mentions several other magazines that have recently undergone such haircuts but he dwells at length on our own case, in these words:

I have been watching one such evolution (in typography) for some months. NATION'S BUSINESS is the official journal of the United States Chamber of Commerce. It is an important journal of wide circulation among business men.

For years—and rightly too—the emphasis has been entirely on contents. It has been printed rather decently, with photographic illustrations for the most part. Certainly, no one could criticize the United States Chamber of Commerce for not getting excited about typographic excellence.

Some months ago, however, NATION'S BUSINESS came to New York and hired Lester Douglas as its Director of Art and Typography.

Several months later the magazine began to show signs of change.

Whereas photos had been largely the only illustrations, new and vigorous drawings began to appear—drawings signed by names new to the magazine. Even modernism found a place in the illustrations—someone evidently had the courage to believe that business men would "get" them and like them.

The charm of the whole thing is that there is still more to come—I think Mr. Douglas himself would be the first to disclaim any thought of finality in his job thus far. But certainly NATION'S BUSINESS is well started on its way toward becoming one of the handsomest business periodicals in America.

**H**ERE'S a letter to the editor which I want to begin with the postscript, for in it the writer says:

There is only one reason why you should want to publish this and that would be to show what foolish wild nuts there are in our country.

The editor of NATION'S BUSINESS doesn't want to publish this letter for that reason at all. He does want to publish it because it is an intelligent letter representing an intelligent point of view from the retailer who is facing and is bothered by a new, direct, and dangerous competition. In the body of the letter, and I will not even tell from what city it comes, the writer says this:

The chain store is just one of what I would call big business. I am operating what is known as a ten-cent store, in a small way, and in a small town.

About six months ago, a chain grocery started here and since that time one local merchant was closed out by his creditors and two more are trying to close out.

Of course, this does not interest you, but it would if you were in my place, and a chain ten-cent store came in against you.

Now I have made one purchase in the chain store here, and by so doing I saved two cents. If I had gone to the local merchant, I would have paid two cents more, but I should have had my merchandise delivered, and the chain store does not de-





# OAKLAND



## Detroit of the West

*Direct Car-to-Ship Transfer for Oakland  
Products Reaching World Markets*

**O**CCUPYING a commanding and unique position in the distribution of products to the rich markets of the eleven western states, and offering the logical point from which to serve the countries across the Pacific Ocean—Oakland, California, is being recognized as the "Detroit of the West."

Savings in the cost of distribution, rail and water connections unequalled elsewhere on the West Coast, low fuel costs, equable all-year working climate, fine highways which permit of "drive-aways" every day of the year, low-priced land in large pieces, skilled workmen and utter lack of industrial unrest—all have encouraged the location of automotive plants in the Oakland industrial area—which embraces the cities of Oakland, Berkeley, Alameda, San Leandro and Emeryville. The automotive industry was one of the first to recognize that centralization of manufacturing activities was not always the most economic method

of production, and for better service to the western and Pacific export markets, the automotive group has—in the big majority—found Oakland best suited to its requirements.

The Chevrolet Motor Car Company was one of the pioneers in the westward movement, locating in 1915. Fageol Motors Company began operations in 1917, Durant and Star in 1921. Others operating large plants in the Oakland industrial area are Caterpillar Tractor Co., Hall-Scott Motor Car Company, Johnson Gear Company, Laher Auto Spring Co., Inc., C & L Tire and Rubber Co., The Coast Tire and Rubber Company and the California Transit Company. The Fisher Body division of General Motors has just completed a half-million dollar plant, the second unit established here. The Chrysler Corporation has purchased 50 acres for a \$7,000,000 plant and the Sieberling Rubber Company 98 acres for a \$3,000,000 tire factory. Ford will erect a \$5,000,000 plant in the near future within eight miles of Oakland.

*Manufacturers in any line of industry are cordially invited to send for a detailed industrial survey on how Oakland can best serve their manufacturing or distributing needs in relation to the eleven western states and the export markets of the Orient. "We Selected Oakland," giving the experiences of many nationally known manufacturers operating here, will be sent on request. All correspondence strictly confidential.*

WRITE INDUSTRIAL DEPARTMENT, OAKLAND CHAMBER OF COMMERCE  
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**A PRACTICAL RULE to  
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THIN PAPERS  
print well - cost  
less and offer  
the unusual**

**ESLEECK MFG. CO.  
Turners Falls, Mass.**



### REPRINTS at Two Cents a Copy

REPRINTS of the following articles which have appeared in recent numbers of NATION'S BUSINESS are now in stock and can be obtained for \$2.00 per hundred copies

- "Coal—A Challenge" by Chester Leasure
- "Making The Unfit Fit" by Walker D. Hines
- "Color—A Real Problem" by Allen L. Billingsley
- "You Business Men Are Making Taxes High"  
by Rodney Elward
- "Mind Your Own Business" by O. H. Cheney
- "There's No Monopoly in Selling" by C. F. Walgreen

When writing to ESLEECK MFG. Co. please mention Nation's Business

liver. I should have paid for the service, which is right. If you want service you have to pay for it.

If you have read thus far, I know you will think I have just arrived from Russia. No, I was born here, voted for Cal and Herb and I believe they are darn good men, but I also believe they know their business, which is big business.

By this time I know you think I am afraid of the chains, that I would like to see them all banished.

The way things are going now I would, but, and here is the point I wish to bring out about the chains: make them pay for their merchandise what the local man has to and we will look out for ourselves.

I am buying most of my merchandise from what is supposed to be one of the largest wholesale houses in the world; they are going to start a chain of retail stores. I can buy my goods from them, I think, as low as other houses, but just how could I compete with them? Can't you see, they could sell under me and still make a profit?

I believe that is something to which wholesale houses in general should give consideration. It looks to me as if, if this keeps up, any wholesale house not connected with a chain is going up against a serious proposition.

Getting back again to the postscript, the writer, who isn't a foolish wild nut as he calls himself is stating very clearly and very well the position of many a small retailer in the face of the new competition.

**P**INNED to a letter from R. H. McDrew, secretary of the Poultry Producers of Central California, is this note from Professor James E. Boyle, writer of the article "Cooperatives and Common Sense," in our January issue:

Here's a sample letter—one of a dozen—which I have received regarding my article on cooperation in the last NATION'S BUSINESS. Not a bad letter.

Here's the letter which Professor Boyle describes as "not a bad letter."

I have read with considerable interest your article in the NATION'S BUSINESS on "Cooperatives and Common Sense."

In my judgment this is one of the finest articles on the subject of cooperative marketing that I have read during the year. It may be construed by some as unfriendly to cooperative marketing, but I do not regard it so.

What successful cooperative marketing needs today is straight-from-the-shoulder facts and not bull or so-called propaganda, or brotherly love, or sickly sentimentalism.

A good slogan for cooperative marketing during 1929, I believe, would be

**MORE BUSINESS AND LESS BULL**

**I**T was in Hamlet that Shakespeare put the invitation, "Come, give us a taste of your quality." That line signifies the existence of a quality market, but we are left in some doubt about the use of the opportunity to satisfy the consumer demand indicated. More substantial and convincing is the early example of devotion to excellence set by Fortnum and Mason. While attached to Queen Anne's household as house servants, they set up



as provisioners, and the firm they organized has catered to the royal household, king after king, and queen after queen.

In itself that long tenure of service is enough to occasion remark, yet the expansion of the firm's operations to the magnitude of world trade puts the emphasis on an established willingness to accommodate "imagination in diet." Fortnum and Mason provides what people want to eat. In America, and everywhere, this firm is finding customers in people "who are dissatisfied with stupid food circumscribed by what will turn over thirty or more times a year on chain store shelves."

Perhaps we do "eat what buyers of grocery chains think we should have," but it must be from choice rather than from necessity. For it takes no skill at investigation to discover that the S. S. Pierce Company of Boston—just to cite one concern—does an enormous mail-order business in provisions. Sales in that department will soon exceed the firm's delivery, telephone, and "drop-in" sales. Among the mail-order customers are many New Yorkers. And the reason is not far to seek.

They and the other distant buyers get the things once easily obtainable in their home neighborhoods—things that the old-time grocer carried to please individual taste—things that seem strangely hard to get in this day of mass selling and standardized stocks selected for quick movement.

In the aggregate, the choosy folk constitute a tremendous market, a quality market—and a very profitable market, as Fortnum and Mason found out some two hundred years ago.

**CHARLES F. LANG**, president of the Lakewood Products Company, Cleveland, thinks NATION'S BUSINESS should give more room to the "avoidance of periodical business depression," and goes on to say:

"Depression" is not the right word. The old word, "panic" better fits the situation, for it seems to me most depressions are caused by mass panic or fear.

And this panic often first manifests itself among our banking leaders.

I recall some experiences of the last depression.

My banker called me to his office one day and said, "Lang, be careful; reduce your inventory; don't buy anything." Sounded like good advice. But a month or so later I wrote him that evidently he and other bankers had given the same "good" advice to all our customers, with the result our customers would buy nothing from us; and how were we going to reduce our inventory when our customers had been advised not to buy anything from us?

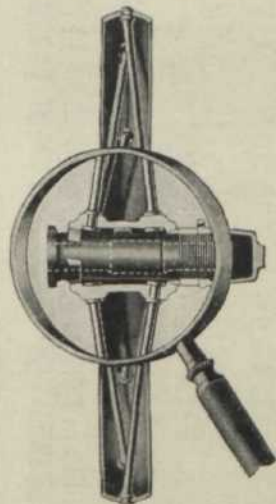
Apparently this advice was given by all bankers to all business men, and the inevitable followed.

And no doubt history will repeat itself, until our bankers are wise enough to find some way to avoid a depression, instead of, by their shortsighted advice, inevitably creating one.

*M.T.*



## Wheels of Agriculture



French & Hecht, Inc., is the largest manufacturer in America specializing in the design and manufacture of Steel Wheels, producing wheels for over 2,000 different kinds of machines, including:  
 Farm Implements  
 Farm and Industrial Tractors  
 Road Machinery  
 Motor Trucks  
 Busses  
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 Wheelbarrows, Carts  
 and other equipment.

**S**INCE the advent of the chilled plow, Oliver farm implements have occupied a prominent place in American Agriculture. These well known implements are equipped with French & Hecht Steel Wheels because:

Each wheel is designed for its particular load and function thus contributing to light draft and the highest mechanical efficiency of the machine itself.

French & Hecht Steel Wheels are of a distinct type of construction. The method of fastening spoke to hub and tire is a highly developed process that assures a far stronger wheel. This is why French & Hecht Wheels are actually about 35% stronger than other wheels of comparable weight.

The vast experience and facilities of French & Hecht, Inc., enable them to solve any wheel problem—producing a mechanically superior wheel, especially adapted to any machine at a lower cost than is possible for the average factory producing the machine itself. Any information concerning wheels gladly supplied. Write.

**FRENCH & HECHT, Inc.**

*Wheel Builders Since 1888*

DAVENPORT, IOWA

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# FRENCH & HECHT

STEEL WHEELS

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THIS is the ninth of a series of editorials written by leading advertising men on the general subject of "Advertising"



## Idea-Power

FIND a disgruntled advertiser, and you will usually find an advertiser whose printed messages are commonplace.

There is nothing surprising about that—it is fairly inevitable.

It isn't the fact that a salesman calls on prospects which sells merchandise in profitable quantities. It is what he says when in their presence.

In comparing advertising to direct selling, "space" corresponds to traveling expense and salary, "art work and layout" to the salesman's appearance and dress, "copy" to his presentation of his wares.

Analyzed from that viewpoint, many an advertisement suggests that the advertiser, to be consistent, should apply Hollywood standards to his hiring of salesmen—his advertisements fall into the classification "beautiful but dumb," striking in appearance but disappointing in message and text.

In the stress of today's competition, advertising that is beautiful-but-dumb has no useful place. Ideas are necessary. The "idea-power" of an advertisement is its determining element.

In spite of the volume and diversity of current advertising, idea-advertising has lost none of its effectiveness. Rather, it has increased in effectiveness through the increased public attention to advertising as the public has grown advertising-wise. 1928 business history proved over and over again how promptly the public responds with its purchases to distinctive ideas distinctively presented.

MARSH K. POWERS, *President*  
The Powers-House Company,  
Cleveland.



# Out of the Fullness of Metallurgical Experience.

## WHEELING COP-R-LOY PIPE

Reg. U. S. Pat. Office

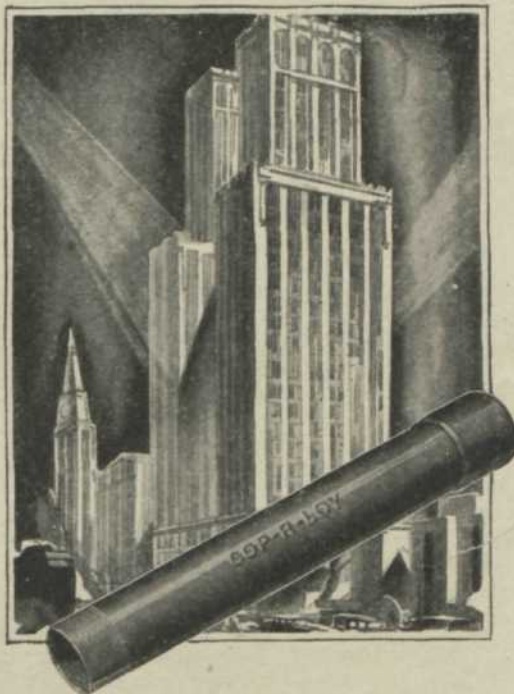
MADE OF COP-R-LOY—THE COPPER ALLOYED STEEL

If you but casually examine the statistics of wrought pipe production, it becomes apparent that steel pipe stands upon a positive and substantial foundation—the preference of industry and the public—for last year 96% of all wrought pipe produced was steel.

It is the Age of Steel—the Age of Steel Pipe—in which things are done on a scale larger than at any time in history for the benefit of all. Steel pipe was first introduced in 1888, and save for one short period when the production of all industry lagged, the curve of its demand has been upward.

Not unmindful of this fact, however, this company, producer of steel pipe almost from the time it was mere experiment, continues to pursue new goals of quality for its steel which it produces in pipe as well as other essential forms. Even though it successfully attained a high standard of quality for Wheeling Steel Pipe which earned for it first rank, there has come as the result of ceaseless effort a new achievement—COP-R-LOY Pipe, made of time-tested copper alloyed steel, "in the cradle of the steel pipe industry."

COP-R-LOY Pipe is offered to architects, engineers, builders and all industry, who need not be reminded that good pipe is indispensable to all plumbing, heating, gas, oil, steam and refrigerator lines. With knowl-



edge born of experience which has not been confined merely to that of pipe making but to its use as well, and to the production of ferrous metal products of many kinds, throughout the Age of Iron in America and the present Age of Steel—Wheeling declares that *there has been perfected no better or more durable and useful pipe in our time.*

Send for the graphic, non-technical account of this new tubular product, COP-R-LOY Pipe, which adds to the already distinguished service of steel pipe and effects economies for you at the lowest possible cost.



"FROM MINE TO MARKET"

When writing to WHEELING STEEL CORPORATION please mention Nation's Business



Copper when added to molten steel brings about action that can be compared to a pinch of bluing dropped in a tumbler of steaming clear water. The copper in the white-hot liquid steel does not drop to the bottom, but diffuses almost instantly throughout the steel. Just as the water is colored uniformly, the steel becomes an alloy,



every particle fortified by copper which chemical analysis shows to be practically of the same specific content at any point where a sample may be taken. The uniform color of the water furnishes a practical illustration of the uniform alloying obtained through the Wheeling process of adding copper to Wheeling refined Steel.



### WHEELING STEEL CORPORATION

WHEELING, WEST VIRGINIA  
Subsidiary Companies:

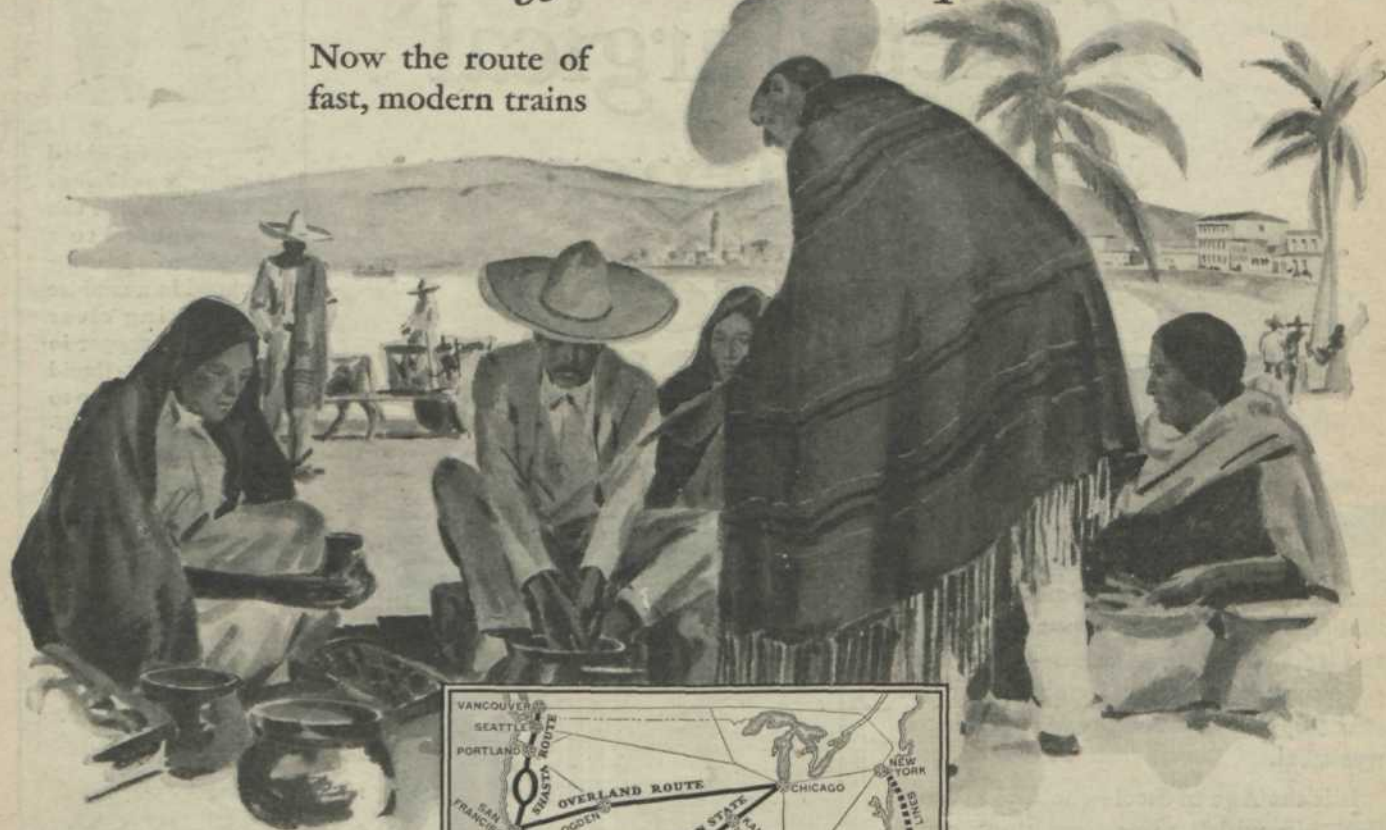
Wheeling Corrugating Company  
The Consolidated Expanded Metal Companies  
La Belle Transportation Company  
Pitt Iron Mining Company  
La Belle Coke Company  
Ackermann Manufacturing Company  
Consumers Mining Company



# The West Coast of Mexico

## —centuries off the beaten path

Now the route of  
fast, modern trains



PICTURESQUE in gay-colored blanket, wide-brimmed sombrero, and sandals, an Indian lad strolls beside a great wooden-wheeled, ox-drawn cart. Not far distant the lazy splash of a fountain catches the sun from a white adobe wall that only Spain could have inspired.

What world is this? Although but 300 miles —overnight in a comfortable Pullman—from Arizona's southern boundry, it is 300 years from the world you know. Centuries seemed to have dropped from time as you slept

Old Mexico!—the little-known, the little understood. A land of mysterious origin and vast antiquity. Yet in many ways as new as tomorrow. Visit the West Coast! How rich the reward to those who come now. Business will see an Old World in the full promise of rebirth. All will delight in a civilization that has long held aloof from change.

Come, just as this land is awakening. Before sightseeing buses crowd out the old-world open carriage. Even now the tractor crawls past the oxen and wooden plough. Find now, for yourself, the ruins of a civilization history has never chronicled, the Aztecs and Toltecs—the markings of Spanish Conquistadores, who with

Cortez lashed this land for gold. Dine in the open garden-patio of Old World cafes before they are rebuilt for the Americano soon to come.

Your comfortable trip down the West Coast will seem a swift parade of many foreign lands, so startling are its contrasts. At Magdalena, reached early in your journey, you see the San Francisco Xavier Mission built in 1690, an early link in the California chain. Many other Mexican Missions, no less than the famous cathedrals, offer the traveler an interesting study.

In contrast to the ancient missions, a great Southern Pacific icing plant, at Empalme,



strikes a modern note. Thousands of carloads of perishables each winter roll through here destined to dining tables of the United States. On down the coast, at times through jungles that will suddenly give way to fields of sugar cane, tomatoes, peas, corn or bananas; or your train will climb mile-high to a plateau where rise cragged mountains and volcanoes. Many miles of road-bed evidence as difficult an engineering feat as the world has ever seen. You'll pause at quaint little cities, such as Mazatlan and Guaymas, nestling peacefully to the edge of land-locked harbors. The blue, tropical sea, the long sweep of sandy beach dotted with cocoanut palms make a stopover difficult to resist.

From Los Angeles modern Pullmans bear you without change, through Tucson, Arizona, the border city of Nogales, more than 1100 miles down the West Coast to Guadalupe, "Pearl of the Occident". From the East, trains of both the SUNSET and GOLDEN STATE ROUTE serve Tucson, the starting point of this fascinating sidetrip.

Write to E. W. Clapp, 310 S. Michigan Blvd., Chicago, for your copy of beautifully illustrated book, "West Coast of Mexico".



# Southern Pacific

## Railroad Company of Mexico